REFERENCE LIBRARY * HOUGHTON MIFFLIN CO. * BOSTON, MASS.
Archive
Collection

This book may not leave the Offices
and if borrowed must be returned within 7 days

THE NATIONS OF TO-DAY

A New History of the World

EDITED BY JOHN BUCHAN

GREAT BRITAIN

VOLUME TWO

THE NATIONS OF TO-DAY

A New History of the World

EDITED BY

JOHN BUCHAN

FIRST LIST OF VOLUMES

GREAT BRITAIN (Two Volumes)
FRANCE
JAPAN
ITALY
INDIA
BELGIUM AND LUXEMBOURG
BRITISH AMERICA
YUGOSLAVIA
THE BALTIC AND CAUCASIAN STATES
IRELAND
BULGARIA AND ROMANIA

Other Volumes in Preparation

W. & A. K. Johnston, Limited, Edinburgh & London.

GREAT BRITAIN

VOLUME TWO

THE NATIONS OF TO-DAY

A New History of the World

EDITED BY JOHN BUCHAN

BOSTON AND NEW YORK
HOUGHTON MIFFLIN COMPANY

Made and Printed in Great Britain.
Hazell, Watson & Viney, Ld., London and Aylesbury.
1923.

GENERAL INTRODUCTION

This series has been undertaken to provide for the ordinary citizen a popular account of the history of his own and other nations, a chronicle of those movements of the past of which the effect is not yet exhausted, and which are still potent for the peace and comfort of the present. The writers conceive history as a living thing of the most urgent consequence to the men of to-day ; they regard the world around us as an organic growth dependent upon a long historic ancestry. The modern view of history—apart from the pedantry of certain specialists —is a large view, subordinating the mere vicissitudes of dynasties and parliaments to those more fateful events which are the true milestones of civilisation. Clio has become an active goddess and her eyes range far. History is, of course, like all sciences, the quest for a particular kind of truth, but that word " truth " has been given a generous interpretation. The older type of historian was apt to interest himself chiefly in the doings of kings and statesmen, the campaigns of generals and the contests of parties. These no doubt are important, but they are not the whole, and to insist upon them to the exclusion of all else is to make the past an unfeatured wilderness, where the only personalities are generals on horseback, judges in ermine and monarchs in purple. Nowadays, whatever we may lack in art, we have gained in science. The plain man has come to his own, and, as Lord Acton has put it, " The true historian must now take his meals in the kitchen."

The War brought the meaning of history home to the world. Events which befell long ago suddenly became disruptive forces to shatter a man's ease, and he realised that what had seemed only a phrase in the textbooks might be a thing to die for. The Armistice left an infinity of problems, no one of which could be settled without tracing its roots into the past. Both time and space seemed to have " closed up." Whether we like it or not, our isolation is shattered, and not the remotest nation can now draw in its skirts from its neighbours. The consequence must be that even those who are averse to science, and prefer to settle everything by rule of thumb, will be forced

to reconsider their views. Foreign politics have become again, as they were in the age of Pitt, and Castlereagh, of Palmerston and Disraeli, urgent matters for every electorate. The average citizen recognises that the popular neglect of the subject contributed in no small degree to the War, and that problems in foreign affairs are as vital to him as questions of tariff and income tax. Once it used to be believed that a country might be rich while its neighbours were poor ; now even the dullest is aware that economically the whole world is tightly bound together, and that the poverty of a part lessens the prosperity of the whole. A merchant finds his profits shrinking because of the rate of exchange in a land which was his chief market ; he finds his necessary raw material costly and scarce because of the dislocation of industry in some far-away country. He recognises that no nation is commercially sufficient to itself, and he finds himself crippled, not by the success, but by the failure of his foreign colleagues. It is the same in other matters than commerce. Peace is every man's chief interest, but a partial peace is impossible. The world is so closely linked that one recalcitrant unit may penalise all the others.

In these circumstances it is inevitable that interest in foreign countries, often an unwilling and angry interest, should be compulsory for large classes which up to now have scarcely given the matter a thought. An understanding of foreign conditions—though at first it may not be a very sympathetic understanding—is forced upon us by the needs of our daily life. This understanding, if it is to be of the slightest value, must be based upon some knowledge of history, and Clio will therefore be compelled to descend from the schools to the market-place. Of all the movements of the day none is more hopeful than the spread through all classes of a real, though often incoherent, desire for education. Partly it is a fruit of the War. Men realise that battles were not won by muddling through ; that as long as we muddled we stuck fast, and that when we won it was because we used our brains to better purpose than our opponents. Partly it is the consequence of the long movement towards self-conscious citizenship, which some call democracy. Most thinking people to-day believe that knowledge spread in the widest commonalty is the only cure for many ills. They believe that education in the most real sense does not stop with school or college ; indeed, that true education may only begin when the orthodox curriculum is finished. They believe, further, that this fuller training comes by a man's own efforts and is not necessarily dependent

upon certain advantages in his early years. Finally, they believe that true education cannot be merely technical or professional instruction ; that it must deal in the larger sense with what are called the humanities. If this diagnosis is correct, then the study of history must play a major part in the equipment of the citizen of the future.

I propose in these few pages to suggest certain reasons why the cultivation of the historical sense is of special value at this moment. The utilitarian arguments are obvious enough, but I would add to them certain considerations of another kind.

Man, as we know, is long-descended, and so are human society and the State. That society is a complex thing, the result of a slow organic growth and no mere artificial machine. In a living thing such as the State growth must be continuous, like the growth of a plant. Every gardener knows that in the tending of plants you cannot make violent changes, that you cannot transplant a well-grown tree at your pleasure from a wooded valley to the bare summit of a hill, that you cannot teach rhododendrons to love lime, or grow plants which need sun and dry soil in a shady bog. A new machine-made thing is simple, but the organic is always subtle and complex. Now, half the mischiefs in politics come from a foolish simplification. Take two familiar conceptions, the " political man " and the " economic man." Those who regard the citizen purely as a political animal, divorce him from all other aspects, moral and spiritual, in framing their theory of the State. In the same way the " economic man " is isolated from all other relations, and, if he is allowed to escape from the cage of economic science into political theory, will work havoc in that delicate sphere. Both are false conceptions, if the problem is to find out the best way to make actual human beings live together in happiness and prosperity. Neither, as a matter of fact, ever existed or could exist, and any polity based upon either would have the harshness and rigidity and weakness of a machine.

We have seen two creeds grow up rooted in these abstractions, and the error of both lies in the fact that they are utterly unhistorical, that they have been framed without any sense of the continuity of history. In what we call Prussianism a citizen was regarded as a cog in a vast machine called the State, to which he surrendered his liberty of judgment and his standard of morals. He had no rights against it and no personality distinct from it. The machine admitted no ethical principles which might interfere with its success, and the

citizen, whatever his private virtues, was compelled to conform to this modern anarchy. Moreover, the directors of the machine regarded the world as if it were a smooth, flat high-road. If there were hollows and hills created by time, they must be flattened out to make the progress of the machine smoother and swifter. The past had no meaning ; all problems were considered on the supposition that human nature was like a mathematical quantity, and that solutions could be obtained by an austere mathematical process. The result was tyranny, a highly efficient tyranny, which nevertheless was bound to break its head upon the complexities of humanity. Such was Prussianism, against which we fought for four years, and which for the time is out of fashion. Bolshevism, to use the convenient word, started with exactly the same view. It believed that you could wipe the slate quite clean and write on it what you pleased, that you could build a new world with human beings as if they were little square blocks in a child's box of bricks. Karl Marx, from whom it derived much of its dogma, interpreted history as only the result of economic forces ; he isolated the economic aspect of man from every other aspect and desired to recreate society on a purely economic basis. Bolshevism, though it wandered very far from Marx's doctrine, had a similar point of view. It sought with one sweep of the sponge to blot out all past history, and imagined that it could build its castles of bricks without troubling about foundations. It also was a tyranny, the worse tyranny of the two, perhaps, because it was the stupider. It has had its triumphs and its failures, and would now appear to be declining ; but it, or something of the sort, will come again, since it represents the eternal instinct of theorists who disregard history, and who would mechanise and unduly simplify human life.

There will always be much rootless stuff in the world. In almost every age the creed which lies at the back of Bolshevism and Prussianism is preached in some form or other. The revolutionary and the reactionary are alike devotees of the mechanical. The safeguard against experiments which can only end in chaos is the wide diffusion of the historical sense, and the recognition that " counsels to which Time hath not been called, Time will not ratify."

The second reason is that a sense of history is a safeguard against another form of abstraction. Ever since the War the world has indulged in a debauch of theorising, and the consequence has been an orgy of catchwords and formulas, which,

unless they are critically examined, are bound to turn political discussion into a desert. The weakening of the substance of many accepted creeds seems to have disposed men to cling more feverishly to their shibboleths. Take any of our contemporary phrases—" self-determination," " liberty," " the right to work," " the right to maintenance," " the proletariat," " class consciousness," " international solidarity," and so forth. They all have a kind of dim meaning, but as they are currently used they have many very different meanings, and these meanings are often contradictory. I think it was Lord Acton who once said he had counted two hundred definitions of " liberty." Abraham Lincoln's words are worth remembering : " The world has never yet had a good definition of the word ' liberty,' and the American people just now are much in want of one. We are all declaring for liberty ; but in using the same word we do not all mean the same thing. We assume the word ' liberty ' to mean that each worker can do as he pleases with himself and the product of his labour, while, on the other hand, it may mean that some man can do as he pleases with other men and the product of other men's labour." Are we not in the same difficulty to-day ? Perhaps the worst sinner in this respect is the word " democracy." As commonly used, it has a dozen quite distinct meanings, when it has any meaning at all, and we are all familiar in political discussions with the circular argument—that such and such a measure is good for the people because it is democratic ; and if it be asked why it is democratic, the answer is, " Because it is good for the people." " Democratic " really describes that form of government in which the policy of the State is determined and its business conducted by the will of the majority of its citizens, expressed through some regular channel. It is a word which denotes machinery, not purpose. " Popular," often used as an equivalent, means merely that the bulk of the people approve of a particular mode of government. " Liberal," the other assumed equivalent, implies those notions of freedom, toleration and pacific progress which lie at the roots of Western civilisation. The words are clearly not interchangeable. A policy or a government may be popular without being liberal or democratic ; there have been highly popular tyrannies ; the German policy of 1914 was popular, but it was not liberal, nor was Germany a democracy. America is a democracy, but it is not always liberal ; the French Republic has at various times in its history been both liberal and democratic without being popular. Accurately employed, " democratic " describes a

particular method, "popular" an historical fact, "liberal" a quality and an ideal. The study of history will make us chary about the loud, vague use of formulas. It will make us anxious to see catchwords in their historical relations, and will help us to realise the maleficent effect of phrases which have a fine rhetorical appeal, but very little concrete meaning. If political science is to be anything but a vicious form of casuistry it is very necessary to give its terms an exact interpretation, for their slipshod use will tend to create false oppositions and conceal fundamental agreements, and thereby waste the energy of mankind in empty disputation.

The third reason for the study of history is that it enables a man to take a balanced view of current problems, for a memory stored with historical parallels is the best preventive both against panic and over-confidence. Such a view does not imply the hard-and-fast deduction of so-called laws, which was a habit of many of the historians of the nineteenth century. Exact parallels with the past are hard to find, and nothing is easier than to draw false conclusions. A facile philosophy of history is, as Stubbs once said, "in nine cases out of ten a generalisation founded rather on the ignorance of points in which particulars differ than in any strong grasp of one in which they agree." Precedents from the past have often been used with disastrous results. In our own Civil War the dubious behaviour of the Israelites on various occasions was made an argument for countless blunders and tyrannies. In the same way the French Revolution has been used as a kind of arsenal for bogus parallels, both by revolutionaries and conservatives, and the most innocent reformers have been identified with Robespierre and St. Just. During the Great War the air was thick with these false precedents. In the Gallipoli Expedition, for example, it was possible to draw an ingenious parallel between that affair and the Athenian Expedition to Syracuse, and much needless depression was the consequence. At the outbreak of the Russian Revolution there were many who saw in it an exact equivalent to the Revolution of 1788 and imagined that the new Russian revolutionary armies would be as invincible as those which repelled the invaders of France. There have been eminent teachers in recent years whose mind has been so obsessed with certain superficial resemblances between the third century of the Christian era and our own times that they have prophesied an impending twilight of civilisation. Those who have been engaged in arguing the

case for the League of Nations are confronted by its opponents with a dozen inaccurate parallels from history, and the famous plea of the " thin edge of the wedge " is usually based upon a mistaken use of the same armoury.

A wise man will be chary of drawing dapper parallels and interpreting an historical lesson too rigidly. At the same time there are certain general deductions which are sound and helpful. For example, we all talk too glibly of revolution, and many imagine that, whether they like it or not, a clean cut can be made, and the course of national life turned suddenly and violently in a different direction. But history gives no warrant for such a view. There have been many thousands of revolutions since the world began ; nearly all have been the work of minorities, often small minorities ; and nearly all, after a shorter or longer period of success, have utterly failed. The French Revolution altered the face of the world, but only when it had ceased to be a revolution, and had developed into an absolute monarchy. So with the various outbreaks of 1848. So conspicuously with the Russian Revolution of to-day, which has developed principles the exact opposite of those with which it started. The exception proves the rule, as we see in the case of our own English Revolution of 1688. Properly considered, that was not a revolution, but a reaction. The revolution had been against the personal and unlimited monarchy of the Stuarts. In 1688 there was a return to the normal development of English society, which had been violently broken. It may fairly be said that a revolution to be successful must be a reaction—that is, it must be a return to an organic historical sequence, which for some reason or other has been interrupted.

Parallels are not to be trusted, if it is attempted to elaborate them in detail, but a sober and scientific generalisation may be of high practical value. At the close of the Great War many people indulged in roseate forecasts of a new world—a land fit for heroes to live in, a land inspired with the spirit of the trenches, a land of co-operation and national and international goodwill. Such hasty idealists were curiously blind to the lessons of the past, and had they considered what happened after the Napoleonic wars they might have found a juster perspective. With a curious exactness the history of the three years after Waterloo has repeated itself to-day. There were the same economic troubles—the same rise in the cost of living, with which wages could not keep pace ; the same shrinking of foreign exports owing to difficulties of

exchange ; the same cataclysmic descent of agricultural prices from the high levels of the war ; the same hostility to profiteers ; the same revolt against high taxation, and the same impossibility of balancing budgets without it. The Property tax then was the equivalent of our Excess Profits tax, and it is interesting to note that it was abolished in spite of the Government because the commercial community rose against it. There was the same dread of revolution, and the same blunders in the handling of labour, and there was relatively far greater suffering. Yet the land, in spite of countless mistakes, passed through the crisis and emerged into the sunlight of prosperity. In this case historic precedent is not without its warrant for hope.

One charge has been brought against the study of history—that it may kill reforming zeal. This has been well put by Lord Morley : " The study of all the successive stages and beliefs, institutions, laws, forms of art, only too soon grows into a substitute for practical criticism of all these things upon their merits and in themselves. Too exclusive attention to dynamic aspects weakens the energetic duties of the static. The method of history is used merely like any other scientific instrument. There is no more conscience in your comparative history than there is in comparative anatomy. You arrange ideals in classes and series ; but the classified ideal loses its vital spark and halo." There is justice in the warning, for a man may easily fall into the mood in which he sees everything as a repetition of the past, and the world bound on the iron bed of necessity, and may therefore lose his vitality and zest in the practical work of to-day. It is a danger to be guarded against, but to me it seems a far less urgent menace than its opposite—the tendency to forget the past and to adventure in a raw new world without any chart to guide us. History gives us a kind of chart, and we dare not surrender even a small rushlight in the darkness. The hasty reformer who does not remember the past will find himself condemned to repeat it.

There is little to sympathise with in the type of mind which is always inculcating a lack-lustre moderation, and which has attained to such a pitch of abstraction that it finds nothing worth doing and prefers to stagnate in ironic contemplation. Nor is there more to be said for the temper which is always halving differences in a problem and trying to find a middle course. The middle course, mechanically defined, may be the wrong course. The business of a man steering up a difficult estuary is to keep to the deep-water channel, and that channel

may at one hour take him near the left shore and at another hour close to the right shore. The path of false moderation sticks to the exact middle of the channel, and will almost certainly land the pilot on a sandbank. These are the vices that spring from a narrow study of history and the remedy is a broader and juster interpretation. At one season it may be necessary to be a violent innovator, and at another to be a conservative; but the point is that a clear objective must be there, and some chart of the course to steer by. History does not provide a perfect chart, but it gives us something better than guess-work. It is a bridle on crude haste; but it is not less a spur for timidity and false moderation. Above all it is a guide and a comforter to sane idealism. "The true Past departs not," Carlyle wrote, "nothing that was worthy in the Past departs; no Truth or Goodness realised by man ever dies, or can die; but all is still here, and, recognised or not, lives and works through endless change."

JOHN BUCHAN.

NOTE

THE section on "The Machinery of Empire" is by Mr. W. T. Waugh, M.A., B.D., Reader in History, Manchester University. That on "The Defence of the Empire" is by Major-General Sir G. G. Aston, K.C.B., late Royal Marine Artillery, whilst "The Story of British Economic Development" is told by Mr. L. Drummond Smith, of the London School of Economics. The section describing the "Economic Conditions" of Great Britain is the work of Mr. Francis Bickley, and that on "British Finance" (with the exception of the last chapter) has been written by Mr. C. R. C. Hopkins, of the *Economist*. The "Labour Movement" is described by Mr. Arthur Greenwood, Secretary of the Reconstruction and Whitley Committees. The articles on "The Channel Islands" and "The Isle of Man" have been compiled by Mr. G. E. Underhill, M.A., formerly Fellow and Senior Tutor of Magdalen College, Oxford; whilst the whole volume is issued under the care of Major-General Lord Edward Gleichen.

CONTENTS

PAGE

GENERAL INTRODUCTION v

NOTE xv

SECTION I. THE MACHINERY OF EMPIRE

I. CONSTITUTION, PARLIAMENT AND EXECUTIVE . . 3
Constitution—Legislature—House of Commons—House of Lords—Executive—Cabinet

II. THE GOVERNMENT DEPARTMENTS 15

III. CONSTITUTIONAL TENDENCIES 20
On the Constitution—Prime Minister and Cabinet—Civil Services—General tendencies

IV. QUESTIONS OF THE DAY 34
Imperial Federation—Referendum—Proportional Representation—Ireland—League of Nations—Nationalisation—Issues since the War

SECTION II. THE DEFENCE OF THE EMPIRE

INTRODUCTORY 45

I. SEA-, AIR-, AND LAND-POWER 47

II. EMPIRE RESPONSIBILITIES 55

III. CONCLUSIONS 61

SECTION III. THE STORY OF BRITISH ECONOMIC DEVELOPMENT

INTRODUCTORY 65

I. FROM THE ROMANS TO THE BLACK DEATH (1348) . 65
Pre-Roman to the Conquest—Land—1066 to fourteenth century—Towns—Guilds—Labour

II. THE MIDDLE AGES 73
Black Death—Agriculture—Crafts—Wool—Foreign trade—Currency

PAGE

III. THE SEVENTEENTH AND EIGHTEENTH CENTURIES . 85
James I to 1790

IV. THE DEVELOPMENT OF AGRICULTURE . . . 92
1800 to date

V. THE INFLUENCE OF INVENTIONS 101

VI. THE GROWTH OF COMMUNICATIONS . . . 107
Roads—Railways—Canals—Shipping—Foreign trade

VII. SOCIAL CHANGES AND IMPROVEMENTS . . . 115
Social developments—Free Trade—Mines—Wages—Responsibility—Improvements

SECTION IV. ECONOMIC CONDITIONS

INTRODUCTORY 131

I. AGRICULTURE, FORESTRY, AND FISHERIES . . 133

II. MINING 143

III. IRON AND STEEL MANUFACTURES 148

IV. TEXTILES 153

V. INTERNAL COMMUNICATIONS 160

VI. FOREIGN TRADE AND SHIPPING 163

SECTION V. BRITISH FINANCE

I. HISTORICAL 173

II. FINANCE DURING THE WAR 176

III. RECOVERY 180

IV. SOME FIGURES 184

SECTION VI. THE LABOUR MOVEMENT

I. EARLY MOVEMENTS 193

II. THE ESTABLISHMENT OF TRADE UNIONISM . . 200

III. THE GROWTH OF TRADE UNIONISM . . . 206

IV. AMALGAMATION 213

V. AFTER THE WAR 220

VI. EDUCATIONAL WORK 225

VII. THE OUTLOOK IN 1923 230

SECTION VII. THE CHANNEL ISLANDS

PAGE

I. GEOGRAPHICAL AND RACIAL 235

II. HISTORICAL 236

III. CONSTITUTIONAL GROWTH 246

IV. ECONOMIC 249

SECTION VIII. THE ISLE OF MAN

I. GEOGRAPHICAL AND RACIAL 253

II. HISTORICAL 254

III. ECONOMIC 261

SELECTED BIBLIOGRAPHY

HISTORICAL 263

CONSTITUTIONAL 264

INDEX 265

MAPS

THE BRITISH EMPIRE, 1923 . . . *Frontispiece*

DISTRIBUTION OF FOOD RESOURCES, ETC. . . *p.* 135

DISTRIBUTION OF MINERALS AND IRON INDUSTRIES ,, 151

DISTRIBUTION OF MANUFACTURES . . . . ,, 159

THE CHANNEL ISLANDS AND ISLE OF MAN . *Opp. p.* 260

SECTION I . . . THE MACHINERY OF EMPIRE

NOTE

THIS account of the "Machinery of Empire," written in 1922, has not, owing to the continued absence abroad of the author, had the advantage of his personal revision before appearing in book form. It has therefore been decided to leave it practically as originally written.

Two *addenda* must, however, be given:

1. (p. 6.) Since the establishment of the Irish Parliament there are now only 615 members of the House of Commons—492 for England, 36 for Wales, 74 for Scotland and 13 for Northern Ireland. The number of constituencies represented is 596. One of these returns three members, 17 return two, 578 return one each.

2. The Committee mentioned on p. 33 has now presented its proposals, but these appear to have been shelved for the present.

For further up-to-date information about Ireland, see the volume of this series on "Ireland."

THE MACHINERY OF EMPIRE

I

CONSTITUTION, PARLIAMENT, AND EXECUTIVE

The British Constitution is one of the boasts of Englishmen. Nowadays, indeed, it does not command the reverence bestowed on it a hundred years ago, when it was widely regarded as something mysterious and almost sacred, which could never have reached its existing perfection without the active aid of Providence. Since then changes, effected by very worldly means, have robbed it of much of its charm for the conservative, while historical research has shown that accident and opportunism have had as much to do with its development as wisdom and design, whether supernatural or human. Nevertheless, the man in the street still remembers with pride that the British Constitution was not made but grew, and that it is an unwritten Constitution, feeling that it is therefore much more wonderful than the Constitution of the United States or France, which are printed in a book and may be read in public libraries.

It is perfectly true that the laws and conventions of the British Constitution date from very various periods. But even the American Constitution is not exactly as it was when first adopted; at different times it has undergone amendment. It is also true that in Britain many rules which elsewhere would be embodied in a written Constitution form part of the unwritten Common Law administered in the Courts of Justice. Such rules, however, are no more mysterious or hard to ascertain than the rest of the Common Law, which does not command particular reverence. Further, it is undeniable that British constitutional practice depends largely on conventions—customs or understandings of which the Courts of Law know nothing. But in this respect there is no essential difference between the British Constitution and many others. Even in the United States and France political conventions grow up, and some of them have produced effects contrary to the intentions of those who established the Constitutions of these coun-

tries. One must indeed admit that convention plays a bigger part in the politics of Britain than in those of most other States. But a far more fundamental characteristic of the British Constitution is the fact that no distinction is made between Constitutional Law, written or unwritten, and the ordinary law of the land. A law depriving the House of Lords of powers which it has possessed for centuries is passed in the same way as a law authorising the Board of Agriculture to deal with swine fever; and in the eyes of the Courts neither is of more authority than the other. The Constitution, in short, can be altered by the ordinary machinery of legislation. It is an *elastic* constitution, as contrasted with a *rigid* constitution—that is, one which cannot be changed except by a body superior to the ordinary legislature or by a process different from that normally employed for the passage of laws.

In the following pages there is given (1) a summary description of the principal organs of government in the United Kingdom, and (2) an account of certain changes which, in the opinion of competent observers, are taking place in the practical working of the system of government, together with a survey of the chief questions of constitutional interest that are now before the public.

The Legislature

The Legislative Power

The power of making laws belongs to the Crown in Parliament. Parliament consists of the House of Lords and the House of Commons. It is summoned, prorogued, and dissolved by the Crown, and the Crown alone can authorise the holding of a parliamentary election. Theoretically the Crown legislates with the advice and assent of the two Houses, or at least of the House of Commons. Thus the enacting clause of statutes runs as follows (the words in square brackets being omitted when a Bill has passed into law, under the Parliament Act of 1911, without the consent of the House of Lords): "Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the [Lords Spiritual and Temporal, and] Commons, in this present Parliament assembled and by the authority of the same. . . ." In practice, however, the Crown never initiates legislation, and the Royal Assent to a Bill passed by Parliament has never been withheld since 1707. Further, the Parliament Act deprived the House of Lords, except in circumstances not likely to arise, of its right of reject-

ing or amending a Money Bill—i.e. a Bill authorising taxation, the expenditure of public money or the raising of a loan. Other public Bills (except a Bill for prolonging the maximum duration of Parliament), if passed by the Commons in three successive sessions, become law on receiving the Royal Assent, even though the House of Lords has rejected them.

It is evident, therefore, that the House of Commons is the predominant element in the Legislature, and it therefore claims the first place in a review of the process of legislation.

The House of Commons

The Electors.—The House of Commons has always been deemed to represent everybody (except peers and for a time clergy) in the regions that returned members to it. Until 1832, however, only a very small proportion of the inhabitants of the United Kingdom had the right of voting at parliamentary elections; and it was not until 1867 that the franchise was extended to the majority of adult males. The existing franchise is defined by the Representation of the People Act of 1918.

To possess the right of voting, a man must be twenty-one years of age (a temporary exception being made in the case of soldiers), and must have resided, or occupied business premises of the value of at least £10 per annum, in the same parliamentary borough or county (or not more than two contiguous ones) for six months ending on January 15 or July 15 in any year.

A woman voter must be thirty years of age, and must be entitled (or, in Scotland, deemed) to be registered as a local government elector in respect of the occupation of premises of the annual value of not less than £5 or of a dwelling-house, or she must be the wife of a husband entitled to be so registered. Women lodgers in unfurnished, but not furnished, rooms may vote if otherwise qualified.

Men and women of the ages stated above may vote for their respective University constituencies if they have taken degrees or fulfilled conditions recognised as equivalent.

No person, however, may vote at a General Election for more than two constituencies.

No idiot, lunatic, alien, bankrupt, or (for five years after the war) conscientious objector to military service (unless he has done work of national importance) may vote.

Who may be Elected.—Members of Parliament must be twenty-one years old. No minister of the Established Church

of England or of Scotland, or of the Roman Catholic Church, is eligible. Nor are Government contractors, sheriffs, returning officers, or English or Scottish peers. Irish peers, however, if not chosen to sit in the House of Lords, may be elected as members of the House of Commons. A member of the House of Commons receives a salary of £400 a year.

Manner of Election.—At a General Election all polls are held on one day. Voting (except in University constituencies) is by ballot. In University constituencies returning two or more members, the principle of "proportional representation" is applied, the method of the "single transferable vote" being used.

Composition of the House.—There are 707 members of the House of Commons—492 for England, 36 for Wales, 74 for Scotland, and 105 for Ireland. It is probable, however, that in future Ireland will return only 13 members, all from "Northern" Ireland, as defined in the Government of Ireland Act, 1920.

The number of constituencies represented is 692. One of these returns three members, 13 return two, 678 return one each.

Duration of Parliament.—Since the passing of the Parliament Act in 1911 the maximum duration of a single Parliament has been fixed at five years, but Parliament can pass an Act extending that term, as it did in 1915. Thus there was no General Election from December 1910 to December 1918.

Privileges of the House of Commons.—The House of Commons possesses certain valuable privileges. Members enjoy freedom from arrest, except for indictable offences and contempt of court. Freedom of speech in Parliament is another privilege, guaranteed by the Bill of Rights. The House has the right of access to the Sovereign through the Speaker. It can exclude strangers from its debates and forbid the publication of any report of its proceedings. Further, it has full control over its own procedure; it may expel a member whom it deems unfit to retain his seat; and it may commit to prison for the duration of the session anyone guilty of a breach of its privileges. But the Courts of Law retain the power of deciding whether any particular act of the House or a member thereof is in fact covered by one of its recognised privileges.

Powers of the House.—The legislative powers of the House of Commons are easily stated. Every law whatsoever must receive the consent of the House, and all "money Bills" must be initiated in it.

Procedure of the House.—The procedure adopted by the House for the transaction of business is of vast and increasing significance to students and critics of the British Constitution.

The first act of a newly elected House of Commons is to choose a Speaker. The Speaker is chairman of the House, and its official mouthpiece in communicating with the Crown.

In considering the procedure followed in the House of Commons, it is necessary to divide the legislative proposals that come before it into two classes—public Bills and private Bills. Public Bills are those that concern the interests of the whole community, private Bills those that concern only the interests of individuals, corporations, or particular localities. Among public Bills, money Bills must be differentiated from the rest.

A public Bill other than a money Bill may be introduced by any member of the House of Commons. At present, however, under the Standing Orders of the House, nearly the whole of its time is at the disposal of the Government. Consequently, unless a Bill is introduced or taken up by a Minister, it has little chance of passing through all the necessary stages.

If a member wishes to introduce a public Bill, he must give the House notice of his desire. In due course he moves that he may have leave to introduce it. In the case of an important Government measure this may lead to a long debate. Should leave be granted, the Bill is formally introduced and "read for a first time." A day is then named for the second reading —the most critical stage in the career of a Bill. The general principles of the measure are debated at length, and the strength of its supporters and opponents is openly revealed. If the second reading is agreed to by a substantial majority, the Bill may be regarded as safe ; but if the opposition to it, though as yet in a minority, is very strong, the promoters of the Bill may decide not to proceed with it. Should it survive the second reading, however, it is referred to one of the several Standing Committees, unless a resolution is carried referring it to a Committee of the whole House. In committee each clause is separately considered, and amendments are proposed and some as a rule carried. The Bill as amended is then "reported" to the House, and at this "Report Stage" it is again debated and further amendments may be moved. Unless (as sometimes occurs) the Bill is sent back to Committee, a motion is made that it be read a third time. If this is carried, it is sent to the House of Lords.

With regard to money Bills, two important facts must be borne in mind. The first is that, by a Standing Order, the

House of Commons refuses to consider any proposal for raising taxes or spending public money unless it comes from a Minister of the Crown. The second is that every money Bill must be based on resolutions of a Committee of the whole House. Early in each year the Ministers of the Crown lay before the House estimates of the sums required by the various departments of government. These are considered by the House sitting in what is called Committee of Supply. When decisions respecting them have been reached, the Budget, containing proposals for raising the money voted, is submitted by the Chancellor of the Exchequer to the House sitting in Committee of Ways and Means. The resolutions passed on the Estimates and the Budget are embodied in Bills which have to go through the same stages as other public Bills.

A private Bill originates in a petition to the House. It is submitted to a Committee of Examiners, and if found to satisfy certain prescribed conditions, it is read a first time. After the second reading it is sent to a small Committee, who summon its promoters and any persons who object to it, and hear what they have to say. If passed by the Committee it is reported to the House, read a third time, and sent to the Lords.

The House of Commons and the Executive.—While legislation is the principal function of the House of Commons, it is its right and duty to criticise and supervise the Executive. Debates on legislative proposals, especially on the Estimates and Money Bills, give frequent openings for the discussion of the Government's conduct of affairs. Motions for the adjournment of the House afford opportunity for the raising of questions of public interest. And on four days a week during the session three-quarters of an hour is set apart for members who desire to ask questions of Ministers. But the use made of these facilities, and also the real nature of the control exerted by the Commons over the Ministry, may be better considered after a review of the character and powers of the Executive.

The House of Lords

How it is composed.—The House of Lords consists of 2 archbishops and 24 bishops, the hereditary peers of the United Kingdom, 16 Scottish and 28 Irish representative peers,[1] and 6 Lords of Appeal in Ordinary. Of the English bishops those of London, Durham, and Winchester always have a seat in the

[1] How these will be affected by the legislation of 1920 and 1921 respecting Ireland has apparently not been decided.

Upper House. The remaining 21 episcopal seats are filled by the 21 bishops who have been longest in an English see.

Peers of the United Kingdom are created by royal letters patent. It is now an accepted legal doctrine, though not historically true, that in the early days of Parliament the mere receipt of a writ of summons to Parliament entitled a man and his heirs to the rank and privileges of barons, including the right to a seat in Parliament among the Lords. There are still a few baronies which are said to have originated in this way; but since the fifteenth century the present method of creating baronies has normally been followed.

The sixteen peers who, under the Act of Union with Scotland, represent the Scottish peerage in Parliament are elected by the whole body of Scottish peers before the opening of each Parliament. The twenty-eight Irish representative peers, on the other hand, are elected by the Irish peerage for life. Unlike Scottish peers, they may, if not elected to the House of Lords, become members of the House of Commons, though not for Irish constituencies.

The six Lords of Appeal in Ordinary are appointed to assist in exercising the appellate jurisdiction of the House of Lords. They must be men of high legal standing. Their appointment carries with it the rank of baron for life and the right to sit and vote in the House of Lords on all occasions. This right they retain even if they lay down their judicial office.

Infants, lunatics, aliens, and (at the moment of writing) women cannot sit in the House of Lords. Bankruptcy and (in most cases) conviction for treason or felony disqualify a peer from sitting until he has been discharged or pardoned. The House, acting as a Court of Justice, can also exclude a peer from its sittings for ever.

Privileges of the Lords.—The privileges of the House of Lords are for the most part similar to those of the House of Commons. The most notable of those peculiar to the peers is that they have the right to be tried by their own House if accused of treason, felony, or misprision.

Powers of the House of Lords.—The legislative powers of the House of Lords are small compared with those of the House of Commons. Under the Parliament Act of 1911 they may neither amend nor reject money Bills, while they have only a suspensive veto on other legislation. Before this Act was passed it was recognised as a constitutional convention that the Lords would not reject a measure sent up by the Commons unless there was strong reason to doubt whether the

country wanted it, and that they would withdraw their opposition if that doubt were removed. It was also understood that the Lords might not amend a money Bill, and many authorities held that they might not constitutionally reject one, and were surprised when in 1909 they did so. It is likely that new conventions governing the relations between Lords and Commons will arise as a result of the Parliament Act; but there was not a long enough period before the war for precedents to become fixed, and since 1914 the two Houses have been in close agreement.

Procedure of the House of Lords.—The Speaker of the House of Lords is the Lord Chancellor. He presides at sittings of the House, but his authority over the members and their proceedings is much less than that exercised by the Speaker in the House of Commons.

When a Bill is sent up by the Commons to the House of Lords, it is at once read for the first time. If within twelve days no notice of the second reading is given, the Bill is dropped; but if a peer takes it up, it proceeds through the same stages as in the House of Commons. If the Lords pass the measure unaltered, they merely communicate the fact to the House of Commons; if they amend it, they send it back to the Commons with an announcement of the changes made.

As in the House of Commons, criticism of the Executive is a part of the functions of the House of Lords. Such criticism, however—for reasons which will appear below—is much less effective than that which comes from the Commons. Unlike the House of Commons, the House of Lords is a court of justice. It is the highest court of appeal for the United Kingdom. In certain cases it exercises, as we have seen, criminal jurisdiction over members of its own body. And it determines disputed claims to peerages and the title of newly created peers to sit and vote in the House. These functions, however, are no longer of much constitutional moment.

The Executive

The Crown.—It is when we turn to the Executive that we begin to realise the extent to which British politics are dominated by constitutional conventions. Since 1911 the convention that the Crown shall assent to any measure passed by Parliament is the only notable one in the sphere of legislation. In administration, however, the case is very different. In the eyes of the law the King still wields vast executive power.

He " appoints to all the executive, judicial and spiritual offices ; makes war, peace and treaties ; confers dignities, authorises the spending of public money, sets in motion the judicial circuits." But while " in theory the Crown does every important act of executive government, in practice every such act must be done in conjunction with a Minister responsible for the act and its consequences." The legal maxim that " the King can do no wrong " has led to the firm establishment of the doctrine that Ministers or agents of the Crown are liable to punishment by the Courts if in the execution of their duties they do anything unlawful. A Royal command is no defence.

Now the convention that the King should do nothing without the concurrence of a Minister might exist in a State where there was no popular control over the government. It may check the folly of an unwise King, but it will make little difference to the power of an able one. Far more important is the convention that the King must choose his Ministers from the dominant party in the House of Commons. This understanding gradually became established in the eighteenth century. The influences which promoted its acceptance were complex, and must not be analysed here. The Crown did not acquiesce without a struggle, and even after the principle was generally recognised made occasional efforts to reassert its liberty of choice. But since 1834, when William IV, with a Whig majority in the House of Commons, dismissed Melbourne and summoned Peel, a Tory, to form a Ministry, the Crown has tacitly abandoned its claim to pick and choose among the candidates for political office. It is only when the leadership of the dominant party is disputed that the preferences of the Sovereign make their influence felt. Thus, in 1894, on the resignation of Mr. Gladstone, Queen Victoria sent for Lord Rosebery, though two or three other Liberals seemed to have at least equal claims to the Premiership. Such occasions, however, must be rare.

The result of the convention just noticed is that the King has no executive power, and that policy is determined and administration directed by the Cabinet.

The Cabinet.—The Cabinet consists of a number of the principal Ministers of the Crown. How many shall belong to it is decided by the Prime Minister. Of late years the number has usually been about twenty. The following Ministers were in the Cabinet at the beginning of 1923: The First Lord of the Treasury, the Lord Chancellor, the Lord Privy Seal, the Lord President of the Council, the Chancellor of the Exchequer, the Secretaries of State for Home Affairs, Foreign Affairs, the

Colonies, India and War, the First Lord of the Admiralty, the President of the Board of Trade, the President of the Board of Education, the Ministers of Health, Labour and Agriculture and Fisheries, the Secretary for Scotland, the Chief Secretary for Ireland, and the Attorney-General. Among the Ministers not in the Cabinet may be mentioned the Chancellor of the Duchy of Lancaster, the First Commissioner of Works, the Postmaster-General, the Secretary for Air, the Minister of Pensions, the Minister of Transport, the Solicitor-General, and the Lord Advocate for Scotland.

All Cabinet Ministers are Privy Councillors, and the Cabinet can only be fitted into the legal theory of the Constitution if it be regarded as a committee of the Privy Council. The Privy Council is composed of the existing and former Cabinet Ministers and other eminent men, mostly of political distinction; but it has lost the consultative and executive powers it once had. Its jurisdiction is exercised by the Judicial Committee of the Privy Council—an important body indeed, but for all practical purposes a separate court of law—and it is in reality no more than a "formal medium for expressing the Royal pleasure in certain matters of executive government." Consequently to describe the Cabinet as a committee of the Privy Council, even if historically and legally justifiable, sheds little light on its position and functions at the present day.

Certain characteristics of the modern Cabinet should receive particular attention. It is homogeneous—that is to say, its members are in agreement on all important questions "before the public" or likely to call for consideration or action in the near future. If a Cabinet Minister finds himself at variance with the majority of his colleagues on such an issue, he is expected to resign. Thus several staunch Free Traders withdrew from the Unionist Cabinet in 1903, when Mr. Joseph Chamberlain made Tariff Reform a living issue, and in 1914 a similar course was followed by certain Ministers who thought that war with Germany should have been avoided.

Intimately related to the homogeneity of the Cabinet is its collective responsibility. "The Cabinet," says Lord Morley, "is a unit—a unit as regards the Sovereign, and a unit as regards the Legislature. Its views are laid before the Sovereign and before Parliament, as if they were the views of one man. . . . The first mark of the Cabinet . . . is united and indivisible responsibility." As a general rule, therefore, if a Minister is driven from office, whether by a vote of censure in the House of Commons or by public denunciation, the whole

Cabinet will resign with him. Sometimes, indeed, a Minister's offence may have been committed in disobedience to the wishes of the Cabinet, or it may be of a merely personal nature, and in such cases his fall does not necessarily involve that of the Government. During the war, too, the rigidity of the principle was relaxed. For instance, when in 1917 the Secretary of State for India, Mr. Austen Chamberlain, resigned in consequence of the report of the Mesopotamia Commission, the Ministry remained in office. Nor was anyone scandalised, for —apart from the fact that few desired the fall of the Government—the disasters for which Mr. Chamberlain was technically responsible had occurred before Mr. Lloyd George's Coalition came into power. In normal times, however, the doctrine that the entire Cabinet must stand or fall together in face of outside criticism remains one of the articles of the British politician's faith.

It is a corollary of this doctrine that the decisions of the Cabinet are communicated to the Sovereign and to Parliament as if they were unanimous.

Cabinet meetings are held in secret. It is true that Cabinet Ministers are under no formal pledge of secrecy beyond the oath taken by all Privy Councillors—an oath which can be so interpreted as not to apply to meetings of the Cabinet. But for any Minister, except at the formal instance of the Cabinet, to divulge anything that has passed at its meetings is a political sin of the basest sort. From time to time information leaks out; at one stage of the war a section of the Press displayed a knowledge of Cabinet proceedings which, in general opinion, it must have obtained from a Cabinet Minister; and retired statesmen in their memoirs have sometimes revealed old secrets or given astonishing accounts of the conduct of Cabinet business. On the whole, however, revelations have been rare. Until the formation of Mr. George's Coalition, moreover, no minutes were kept, and it was a breach of etiquette for a Minister to take notes at a Cabinet meeting; but Mr. George instituted the practice of keeping minutes of the proceedings of his small War Cabinet—an innovation which has survived the return of peace and has now been adopted for meetings of the restored large Cabinet. In addition, the presence at these meetings of a secretary who is not a member of the Cabinet seems to have become customary. These changes have excited much comment, but do not appear to possess much constitutional significance. The secrecy in which the Cabinet works need not be impaired.

At one time, indeed, it seemed probable that the war would establish important changes in the Cabinet system. A body of twenty-three proved too large to conduct a vital conflict with the requisite promptness and decision. Mr. Lloyd George instituted a War Cabinet of four or five members and charged it with the shaping of national policy and the general supervision and co-ordination of the nation's efforts towards victory. Ministers who did not belong to this body were restricted to their departmental duties, though frequently required by the War Cabinet to give information or advice. It was thought by many that the day of the big Cabinet, representing all the great departments, was over; but in the autumn of 1919 the Premier announced that he was about to return to the old system. How far this has really been restored in practice will be considered later.

The Cabinet and the Crown.—Though it would be highly improper for the King to attend a Cabinet meeting, he is entitled to be at once informed of all important decisions taken by the Cabinet and to be given an opportunity of commenting on them before thay are put into effect. On his side, the King ought not to take any political action without the Cabinet's advice, or indeed to consult anyone outside the Cabinet on political affairs; while he is expected to give the Ministry in office whatever aid he can to enable it to carry out its policy.

The Cabinet and Parliament.—It is, however, in the relations of the Cabinet to Parliament that the key of the British system of government is to be found. The Cabinet is an executive council, Parliament a legislative assembly. In legal theory their functions are altogether distinct, and in the eighteenth century foreign and colonial politicians thought that they were distinct in reality and that therein lay the peculiar virtue of the English Constitution—a belief that left a deep mark on the Constitution of the United States and was largely responsible for the failure of the constitutional experiments of the French Revolution. As a matter of fact, the Executive and the Legislature of the United Kingdom are not separate, but very closely connected and in part identical. In the first place, as we have seen, the political complexion of Parliament—or, rather, of the House of Commons—determines the political complexion of the Cabinet. If a Ministry is defeated in the House of Commons on any matter of more than trivial detail, it must either resign or have Parliament dissolved; and if, having chosen the latter alternative, it is beaten at the ensuing General Election, it must resign as soon as it suffers defeat in

the new House. But the relations between the Executive and the Legislature are governed by a still more important convention. Members of the Cabinet—and indeed all Ministers of the Crown—are also Members of Parliament. Exceptions to this rule are rare. A Minister who loses his seat at an election may, it is true, remain in office while seeking another, but if he fails to find one within a short time he must resign. For example, in 1915 Mr. C. F. G. Masterman, who had lost his seat a year before, resigned his office of Chancellor of the Duchy of Lancaster owing to his inability to secure re-election. Since then, it is true, one or two Ministers have held office without either possessing or trying to secure a seat in Parliament. But this anomaly was excused by the exigencies of war, and at present every Minister is either a peer or a member of the House of Commons.

It was a natural outcome of the rule just noticed that Ministers of the Crown used almost invariably to be chosen from among men who had made themselves conspicuous in Parliament. But during the war, with the cry for expert administrators, there were several departures from this practice, and we saw at the head of great departments Lord Kitchener, Sir Eric Geddes, and Mr. H. A. L. Fisher, not to mention others —men with a reputation for administrative ability and expert knowledge but little or no parliamentary experience. It seems likely that the precedent thus set will frequently be followed in future. Some of its probable effects will be considered below.

The relations between Cabinet and Parliament have naturally caused the supervision of the Executive by the Legislature to be close and persistent. When Parliament is sitting a Minister is expected to attend regularly, whether to answer questions, to reply to criticisms, or to help his colleagues and his party in debate. One result is that the Legislature, feeling that Ministers are part of itself, and having as a rule had a long acquaintance with them, is much less suspicious of the Executive than it usually is in other countries, and the relations between the two powers are generally friendly and courteous, to the great advantage of the State.

II

THE GOVERNMENT DEPARTMENTS

An investigation of the nature, functions and position of the Cabinet leads naturally to a review of the Ministers belonging to it and the departments they represent.

The chairman at Cabinet meetings is the Prime Minister, a title now officially recognised, though not formally mentioned in any public document till 1878 and " officially unknown to the Constitution " till 1905. Even now the Prime Minister has no salary, and so must hold some other office—commonly that of First Lord of the Treasury.

The Prime Minister—often popularly referred to as the Premier—is by far the most powerful individual in the State. Who he shall be is generally determined by the character of the majority in the House of Commons ; but once he has been " sent for " by the King and asked to form a Government, he becomes something much greater than a party leader or the chairman of an Executive Council. He decides which of his followers are to hold office and which office each is to hold. He is the medium of communication between the Cabinet and the Crown. He supervises and controls the initiation and prosecution of national policy and the administrative work of all departments of State. Until the resignation of Mr. Asquith in 1916, it was customary for him, unless he was a peer, to act as Leader of the House of Commons. If he is a man of energy, ability, and address, he may be more powerful in the United Kingdom than the President is in the United States.

The Prime Minister, as has been mentioned, usually holds the office of First Lord of the Treasury. The office of Lord High Treasurer, once very important, has always been in commission since 1714. The Board of the Treasury consists of the First Lord, the Chancellor of the Exchequer, and several Junior Lords, generally three. It never meets ; in practice the First Lord has no special connection with finance, and the office is now only important as a means of providing the Prime Minister with a salary. The Junior Lords act as assistant Government whips, and make themselves useful to their party in Parliament. The real head of the Treasury is the Chancellor of the Exchequer. Originally a mere secretaryship, the office did not reach Cabinet rank till the nineteenth century. The Chancellor of the Exchequer is now the Minister of Finance ; it is his duty to obtain from Parliament the money needed to conduct the government of the country and, on the other hand, to see that the conditions on which money is granted are strictly observed when it is spent.

The First Lord of the Treasury and the Chancellor of the Exchequer each have a Parliamentary Secretary. That of the former, known as the Patronage Secretary, acts as chief Govern-

ment whip in Parliament. The other, the Financial Secretary, acts as assistant to the Chancellor of the Exchequer.

The permanent staff of the Treasury, though seldom heard of by the public, plays a most important part in the government of the country. For the Treasury scrutinises and co-ordinates the estimates of all other Government departments, and not one penny of public money can be spent without its authority.

No notice of the financial authorities of the United Kingdom should fail to mention the Comptroller and Auditor-General—an official hardly known to the public, who is yet one of the chief safeguards of parliamentary control over the Executive. He is independent of the Ministry, may not sit in Parliament, and can only be removed from his post on an address to the Crown from both Houses. Before the Treasury can draw any money from the Consolidated Fund, into which all revenue is paid, it must obtain authority from the Comptroller and Auditor-General, who will not grant it unless satisfied that the request is justified by statute. It is also his duty to audit all the public accounts, and detailed reports of his investigations are laid before Parliament every year.

The Comptroller and Auditor-General, though in close touch with the Treasury, is independent of it. There are, however, a number of departments subordinated to it. Of these the most important is the Post Office. The Postmaster-General, though a Minister of State and sometimes a member of the Cabinet, is very strictly controlled by the Treasury and Parliament. His duties resemble those of the manager of a big business concern, and the high standing of the office is due to the fact that in recent times it has commonly been conferred on men of some parliamentary eminence.

The functions of other departments of Government generally require less explanation than those of the Treasury.

There are in the first place several dignified sinecures, such as the offices of Lord Privy Seal, Lord President of the Council, and Chancellor of the Duchy of Lancaster. They are bestowed sometimes on men whose presence in the Ministry will add to its authority and prestige, but who are unable, for reasons of age or health, to sustain the duties of an administrative department, and sometimes on men who are wanted to perform services for which no salary is paid.

An important group of officials form a link between the Executive and the judicial system. Of these the most important is the Lord High Chancellor. He is head of the judiciary

of Great Britain, but he also exercises important political functions. He is Speaker of the House of Lords, he appoints the Judges of the High Court and the County Courts and the Justices of the Peace, and he has charge of the Great Seal and is technically responsible in almost all cases for its use.

The official heads of the English Bar are the Attorney-General and the Solicitor-General. They conduct important cases, both criminal and civil, in behalf of the Crown, and act as legal advisers to the Government. For Scotland there is a Solicitor-General, but the functions of Attorney-General are performed by the Lord Advocate.

The domestic administration of the country is in the hands of a number of Ministers, chief of whom is the Secretary of State for Home Affairs. He takes precedence of the four other Secretaries of State, and is the official medium of communication between the Crown and its subjects. His duties are varied and of wide scope; the most important are concerned with the administration of justice and the maintenance of order. Broadly, it may be said that he is responsible for all domestic affairs that have not been expressly allotted to other departments.

The Board of Trade is a department of a type not yet noticed. Theoretically it is a committee of the Privy Council and consists of a number of exalted officials and a President. But it never meets, and the President is to all intents and purposes the Minister of Trade. Thus, whereas the Treasury Board represents an office in commission, the Board of Trade is a committee which has, so to speak, shrivelled into an office. The same may be said of the Board of Agriculture and the Board of Education.

Since the beginning of the war several new Ministries concerned with home administration have been created. Of these the Ministries of Health, Labour, Transport, and Pensions are still in existence. The Ministry of Health is the heir of the old Local Government Board, and besides the maintenance and improvement of public health, its duties include the control of local government in general. The business of the other new Ministries and of the Boards is sufficiently indicated by their titles. Their provinces, it is true, are not clearly or logically defined, and at present there is some overlapping of their activities. But to state in detail what each is expected to do would expand this survey to an unreasonable length.

The administration of Scotland is to some extent separated from that of England and Wales. There is a Secretary for

Scotland, who in 1885 took over from several departments their duties with respect to that country. Until lately the administration of Ireland was directed by the Chief Secretary to the Lord-Lieutenant, who by a peculiar convention was immediately responsible to the Crown and to Parliament. The future of the office is at present uncertain.

The responsibility of providing for national defence rests primarily with the Admiralty and the War Office. The Board of the Admiralty, in whose hands is the management of all naval affairs, resembles the Board of the Treasury in that it represents an ancient office placed in commission, but differs from it in that it really directs the business of the department from which it derives its title. It consists of the First Lord, four Sea Lords and two Chiefs of Naval Staff (who are naval officers), a Civil Lord, and two secretaries—one parliamentary, the other permanent. The First Lord, being always a Cabinet Minister and responsible to the Crown and to Parliament for the conduct of the Admiralty, can secure, if he wishes, that his will in all naval matters shall prevail, and practically, though not nominally, the other Lords are his subordinates. He exercises a general supervision over the Navy, whereas each of the other members of the Board has a special sphere of business allotted to him.

The Minister responsible for the Army is the Secretary of State for War. He is a member of the Army Council, first established in 1904, the other members being the Under-Secretary of State for War, the Financial Secretary to the War Office (both of whom sit in Parliament), and the military officers holding certain important posts in the Army. The military members outnumber the civilians on the Council, but the Secretary of State, though certain to attach great weight to its advice, is not bound to adopt it. His authority over the Army is in fact similar to that of the First Lord of the Admiralty over the Navy. This must be emphasised, because until 1904 the powers of the Secretary of State were in some respects limited by those of the Commander-in-Chief, a professional soldier; and it is often forgotten that this office no longer exists and that the authority of the civil Minister is supreme.

The Secretary for Air stands to the Royal Air Force as the Secretary for War stands to the Army. He acts with the advice of the Air Council, which includes some of the principal officers of the Air Force.

There remain to be noticed the departments which control the relations of the United Kingdom with other countries.

These are the Colonial Office, the India Office, and the Foreign Office. The Secretary of State for the Colonies is the official medium of communication between the Home Government and the authorities of all parts of the Empire except India. In relation to the self-governing Dominions, whose Premiers deal directly with the British Prime Minister as with an equal, he seems now to be little more than a secretary in the ordinary sense. In relation to the Crown Colonies and Protectorates, however, he still represents the Crown. He recommends appointments to governorships of these territories, pronounces on the validity of laws passed by the Legislatures of Crown Colonies, exercises the considerable executive power which the Crown retains in parts of the Empire other than the Dominions, and in consultation with the Cabinet determines broad questions of policy affecting these regions.

The Secretary of State for India is responsible to the Crown and to Parliament for the government of British India and British relations with Native States. His Council, which includes several natives of India, is a body with substantial powers. Except in cases requiring secrecy, or of a very urgent nature, he must inform the Council of every official communication which he proposes to send to India, and on certain matters he cannot take action without its concurrence. His powers have recently been reduced as a result of the changes initiated by the Government of India Act of 1919—a subject which is treated at length in another volume of this series.

The functions of the Secretary of State for Foreign Affairs, though of the highest moment, require little comment. He is responsible for the relations of the British Empire with foreign States, and appoints British ambassadors, chargés d'affaires, and consuls. Theoretically it is on his advice that the Crown exercises its prerogative of making war, peace, and treaties; actually, of course, the Foreign Secretary does little of importance without the concurrence of the Cabinet. His discretionary power was of late diminished, but it will probably not be further reduced in the near future. Of the effect of the League of Nations upon his position it is, however, too early to speak with assurance.

III

CONSTITUTIONAL TENDENCIES

An attempt has been made to pass in review the principal organs whereby the government of the United Kingdom is

carried on, and the laws and conventions which regulate their working. Writers on the law and custom of the Constitution, however, have often been accused of offering a picture with but little relation to actual fact. The charge may well be true, for in every State the working of the machinery of government is affected by forces of which constitutional theory knows nothing. It is therefore well to consider if there are any features of British politics besides those which naturally result from the rules already noticed, and in particular if there are any tendencies or practices which are likely before long to harden into conventions.

The Crown.—There is no doubt that the influence of the Crown is greater than a study of the laws and conventions of the Constitution would suggest. The prestige of the British monarchy is high. Fifty years ago there were in the country many advocates of republicanism; to-day there are hardly any. The reasons for this change are various. Half a century ago the working-class was still disposed to regard the Crown as a foe of popular liberty, and it was assumed in most quarters that democratic institutions were likely to flourish best in a republic. Since then, however, the behaviour of successive sovereigns has been constitutionally so "correct" as to disarm suspicion, while it has become evident that the power of the people may be as real under an hereditary king as under an elected president, and that corruption, militarism, and tyranny are by no means peculiar to monarchies. And to the ignorant and sentimental—who, say what we will, form the bulk of the electorate—a King is still hedged with a certain divinity. Their hearts, too, are touched by the interest he manifests in their concerns. With magnificent palaces to live in and splendid robes to wear, he yet goes about among his people in bowler hat and lounge suit, "chats affably" with working-men, visits hospitals, lays foundation-stones, attends race-meetings, and kicks off at football-matches. On people who read nothing but romantic novels and illustrated papers, it makes a great impression that the mighty King of England should condescend in this way. The heart of such a ruler is sure to be in the right place. That the King can do no wrong is not merely a legal fiction.

Not only has hostility towards the Crown almost disappeared, but there are many people who would be glad to see the King take a more active part in government. Among the numerous critics of parliamentary politics there are some who conceive of the Crown as the one political force that can operate

in complete independence of parties and with no concern save the welfare of the nation as a whole. The war has undoubtedly increased the prevalence of such views. The King is Commander-in-Chief of the Navy and the Army, and regarded as such in no merely conventional sense by the forces, most of whom, moreover, acquired or intensified during the war a strong dislike of politicians and parliaments. It is probable that the extension of the franchise to women will operate in a similar direction, for there are few women to whom Royalty and all its associations do not appeal far more strongly than constitutional principles or even a famous statesman.

It is unquestionable that the influence of the King, if he chances to be a man of strong personality, may be very great. This is especially true as regards international relations. Since the beginning of the century, there have been few diplomatists who have achieved as much as King Edward VII. In domestic politics, however, it is not clear how the power of the Crown could be rendered effective without making the King a party leader, as George III became when he sought to break down the conventions which had reduced his two predecessors to impotence. In short, an increase in the activity of the Crown would probably expose it to great risk of destruction. Nevertheless, the existence of a large body of opinion favourably disposed towards Royal authority is a political factor of no small moment, and might have important consequences at a time of civil discord.

Parliament.—The legal sovereignty of Parliament remains intact, and a striking illustration of it was afforded when in 1915 Parliament passed an Act prolonging its own existence beyond the term prescribed by the Parliament Act of 1911. It is true, moreover, that the sessions of Parliament tend to grow longer and longer, and that it does more work than ever. There is no doubt either that Parliament was never consulted so much in any war as in the last. Notwithstanding, it is agreed on all sides that the effective influence of Parliament in national affairs is less than it was, and that the respect felt for it has declined.

Fifty years ago Bagehot wrote that the United Kingdom was governed by discussion in the House of Commons. It was by debate in that House that public opinion was instructed and national policy decided, that political careers were made or marred and Ministries set up or pulled down. And in those days speeches in Parliament really did produce great effects. Cobden's lucidity converted many of his fellow-members to a

belief in Free Trade; Bright's eloquence was largely instrumental in overthrowing the Aberdeen Ministry during the Crimean War; Robert Lowe's sarcasm had much to do with the defeat of Russell's Reform Bill in 1866. Moreover, the House of Commons repeatedly transferred its allegiance from one Ministry to another. Palmerston, returned to power by a General Election in 1857, was defeated in the House of Commons ten months later, and the Derby-Disraeli Ministry which followed managed to remain in office, with the same House of Commons, for more than a year. In 1866, again, Russell was forced to resign by the rejection of his Reform Bill; Derby and Disraeli once more formed a Ministry, stayed in office for over two years without appealing to the country, and actually carried a Reform Bill more radical than Russell's own. But since then a change of government has always (except in the wholly abnormal circumstances of 1916) been closely preceded or followed by a General Election. It is now, in fact, the electorate, rather than Parliament, which decides the character of the government. The members of the House of Commons are sent there to support a particular Ministry, and it is a rare thing for one of them to transfer his allegiance.

That this has come about is largely due to a great increase in the rigidity of party organisation and discipline. In the forty years preceding the war a man had small chance of getting into Parliament unless he expressly ranged himself with one of the two big parties. And if a member cavilled at the party programme, even on issues newly and suddenly raised, he was not likely to be re-elected. There is much to be said for party government, and even for the two-party system; but if party discipline is strict, the independence of members must inevitably suffer.

This rigidity of party obligations, furthermore, robs parliamentary debate of all effective force. It is seldom that a speech in Parliament affects the figures of an ensuing division, though occasionally a ministerial explanation or apologia may turn the votes of friendly critics. Private members speak, not because they expect to convince others, but to satisfy their consciences or, more commonly, their constituencies. In these circumstances, it is natural that the quality of the speeches should generally be poor, that the public should take little notice of them, and that the Press should print only meagre reports of parliamentary debates.

The extent to which the House of Commons has lost its independence and influence is not, however, fully indicated by

saying that it is fettered by the bonds of party. It must be remembered that the leaders of the paramount party will also be Ministers of the Crown. It is this fact that has rendered possible the encroachments of the Government on the time of the House. For this, indeed, Ministers are not wholly to blame. The nation clamours for a stream of reforming legislation on the most intricate and controversial subjects, and no Government could hope to satisfy this demand if it allowed complete freedom of debate. Hence the closure, in its various forms, has become a factor in the ordinary procedure of the House of Commons, and the discussion of legislative proposals is often an open sham, for a Bill may pass into law though many of its clauses have never been debated at all. A newly elected House of Commons assembles, as we have seen, under commission from the electors to support a particular Ministry, and it spends its existence in thraldom to that Ministry, who prescribe the matters which shall occupy its attention and settle how long it shall talk about them. If the leaders of the dominant party were not also Ministers, or if the Ministers were not also party leaders, the House might offer more resistance to this regimen. But Ministers can always have Parliament dissolved, and at the ensuing elections can, as party leaders, ostracise recalcitrant followers. Consequently it is only under great provocation, or when the leaders seem to be defying popular opinion, that a serious rebellion in a party will occur. So secure do Ministers feel that they nowadays show a contempt for the House that fifty years ago would speedily have brought about their political ruin. Their attendance is irregular; their speeches are mostly perfunctory; Mr. Lloyd George, for instance, as Prime Minister was not leader of the House; he appeared in it only at irregular intervals to answer questions or criticism, and on occasion he told the House plainly that he had much more important business elsewhere. Ministers who wish to announce a new policy or to defend themselves from weighty attack avail themselves of public meetings or even of the daily press in preference to the House of Commons. This attitude towards Parliament became particularly marked during the war, and may be modified with the gradual restoration of peace conditions; but its growth was evident and much discussed for many years before 1914.

Under the most favourable conditions Parliament would have found it hard to maintain its prestige with the electors. In the days when comparatively few people had the vote it was natural to suppose that the defects of Parliament would

be remedied after the franchise was extended; and when *laissez-faire* was the radical creed, little was looked for save watchful and outspoken criticism of an Executive which did best when it did least. But when nearly every man had the suffrage, and when, further, social reform by statute was the general cry, it was disappointing to find that Parliament retained most of its old weaknesses. Deeds not words, action not criticism, were demanded. Only a very shrewd, vigorous, earnest, and honest assembly could have commanded respect at such a time. And just then the House of Commons was falling more and more into the servitude described above. Small wonder that its reputation began to fall. The process has been going on longer than most people seem to think: it is, for example, over forty years since the first performance of Gilbert and Sullivan's *Iolanthe*, which satirises the House of Commons no less than the House of Lords. Since the beginning of the century the decline has been accelerated by the charges, made by Mr. Hilaire Belloc and others, that the party leaders themselves are not in earnest, that the strife of parties is no more than a game kept up for the sake of appearances, that high office is the monopoly of a clique of titled and moneyed politicians, and that the division of these into two parties is merely a device to ensure that, whatever may happen at elections, the gang shall always retain the advantages of power. Few people have credited the indictment in full, but many believe that there is "something in it."

A great war always tends to impair respect for parliamentary institutions. Speech is so obviously of small account in comparison with action that wise counsel and sane criticism are apt to be unduly depreciated. And it must be confessed that during the recent conflict the House of Commons "did nothing in particular," and did it rather badly. The greatest event in domestic politics during the war—the substitution of Mr. George's Coalition for that of Mr. Asquith—was brought about, not by anything that happened in Parliament, but by action taken in the Cabinet and vigorously encouraged by a section of the Press. If the House of Commons thought that Mr. Asquith was leading the country to defeat, it ought to have turned him out of office; if it thought that he was conducting affairs with efficiency, it should have supported him in the teeth of all opposition outside Parliament. It did neither; it supported him until he resigned, and then acquiesced in the success of his supplanter. Few episodes in its history have revealed it in so unfavourable a light.

It was significant that some very important posts in the new Ministry were bestowed on men with no parliamentary experience. It may well be that they were eminently fitted for their positions. None the less, their appointment was injurious to the prestige of Parliament. At a moment when efficiency was more than ever essential, the Prime Minister in effect renounced the principle that Parliament was the best training-ground for statesmen. Nay, one or two of these new Ministers did not even try to enter Parliament. Considering the work they had to do, their conduct in this respect was doubtless wise ; but it did not exalt Parliament in the esteem of the nation.

A natural result of the decline in the general respect for Parliament has been a decline in the general eagerness to belong to it. In a celebrated passage Bagehot contrasted the fame of the Member of Parliament with the obscurity of the writer of books. Nowadays the positions are reversed. Election to Parliament does not carry with it any social advantages or increase the esteem in which a man is held. The effect of the change, it is said, is shown in the character of the members of the House of Commons, who are commonly believed to be inferior in capacity and public spirit to their predecessors of Victorian times. Moreover the indifference, if not contempt, with which they are regarded by both voters and Ministers seems to have impaired their self-respect. The resistance of the House to the Government's encroachments on its freedom has grown increasingly feeble, and besides being less critical of Ministers than it used to be, it is willing to entrust the Executive with vast discretionary power. This singular confidence in Parliament's traditional enemy has been notably exemplified in the Defence of the Realm Act, with its innumerable ramifications, and even more conspicuously in the Emergency Powers Act passed on the occasion of the coal strike of 1920. But these are only extraordinary manifestations of a tendency that has been apparent for some time.

A year or two ago it almost looked as if Parliament, shackled and despised, were contemplating suicide. It is possible, however, that its fortunes have lately taken a turn for the better. One cannot, it is true, admit the claim that the Coalition Ministries of Mr. Lloyd George have permanently weakened the grip of party on British political life ; for by Mr. George's regrouping of Conservatives and Liberals party government has no more been abolished than it was when Liberal Unionists allied with Conservatives after the Home Rule split of 1886. Nevertheless there are signs that public respect for Parliament

has to a slight extent been restored. The nation is apparently beginning to remember that there are certain functions which Parliament is pre-eminently, if not exclusively, fitted to perform. Confidence in the wisdom and beneficence of Government departments has rapidly waned since the war acquainted the general public with their habits; the cry for economy in administration is loudly, if not always intelligently, raised; and Parliament is being spurred into resuming its old part of critic and censor of the Executive. Many members have responded to the stimulus with alacrity and zeal; some, indeed, have developed a critical faculty which extends to matters on which public opinion would probably support the Government. But it is no doubt true that much of the renewed vigilance of the House of Commons is the result of denunciations in the Press, and skilful "lobbying" on the part of commercial interests or organised professions and industries; and an institution that will only do its duty under the influence of fear is not likely in the end to recover lost prestige or influence. If, however, the view is rehabilitated that a Member of Parliament is a representative and not a delegate, and that he should therefore be something more than an automaton controlled by a caucus or a Cabinet, a great step will have been taken towards the restoration of Parliament to the authority that it once enjoyed.

The Prime Minister and the Cabinet.—At present, as we have seen, Parliament performs most of its functions at the instance or under the control of the Cabinet. But what is the real significance of this relation? Is the Cabinet itself precisely what law and recognised convention would make it?

According to the textbooks, the Cabinet determines national policy, initiates important legislation, and sets in motion the machinery of the State. This account, however, does not altogether correspond to facts. That a great deal of the Cabinet's work should be done by committees, one or two of them permanent committees, is neither new nor astonishing, and the practice need not derogate from the Cabinet's authority. But it is widely believed, on grounds that are at least plausible, that everything of moment was, in Mr. Lloyd George's Government, decided by the Prime Minister; and it is known that while he generally conferred with the Ministers most likely to be interested in the matter claiming his attention, he did not consider himself bound to lay all questions of national interest before the Cabinet. The Cabinet was thus in danger of becoming an impotent body like the Privy Council, and its

members of being degraded to the position of mere departmental Ministers, responsible not to the Crown but to the Premier. That the Prime Minister differs in kind from his colleagues is recognised by the self-governing Dominions of the Empire, whose Premiers are willing to show him, as the most intimate adviser of the Crown, a deference which they would accord to no other British Minister. But it was further pointed out that, in Mr. Lloyd George's day, the Prime Minister was beginning to be regarded as a sort of court of appeal, to which recourse could be had—in industrial disputes, for instance—when a departmental Minister had failed to give satisfaction. It was alleged that at the Paris Peace Conference the Prime Minister and his secretarial staff, instead of acting with the advice and concurrence of the representatives of the Foreign Office, frequently took action without regard to their considered decisions, or even without consulting them at all. That the Prime Minister attended International Conferences of the highest moment, while the Foreign Secretary remained in Downing Street, was cited as an additional proof of his exaltation to a unique position among the British Ministers of State.

It cannot be denied that a tendency towards the widening of the gap between the Premier and his colleagues was observable long before the war, and statesmen so different as Mr. Gladstone and Mr. Balfour were accused of committing themselves to vital changes of policy without informing more than a few intimate friends. On the other hand, during the period of Liberal administration from 1905 to 1914 the process seems to have been checked. It is evident that much must depend on the personality of the Premier, on the character of the other Ministers, and on the nature of the problems which the Government has to face, and for some years all these factors have made for an apparent increase in the powers of the Prime Minister at the expense of those of the Cabinet. But the situation under the present Prime Minister has now, as far as one can tell, reverted to a great extent to the earlier conception of his duties, and to a general relieving of the situation all round. Of course, if the "Lloyd-Georgian" tendency in question should again come to the fore, and persist, the result would be a profound alteration in the Constitution, which would have moved appreciably nearer to the presidential system of government as exemplified in the United States.

The Civil Service.—Certain observers of the trend of British politics are disposed to belittle the practical importance of Parliament, Cabinet, and Premier alike, since, however these

may share power, the Government of the United Kingdom is fast becoming a bureaucracy. The nation is passing under the rule of the professional official, the permanent Civil Servant. Writers who hold this opinion are not thinking merely of postmen, tax-collectors, land-surveyors, school-inspectors, food-controllers, and such like. They mean that the laws whereby Englishmen are governed, the taxes they have to pay, the policy for which they may be called upon to shed their blood, are really decided upon, not by Parliament, not by Cabinet Ministers, but by officials in Whitehall, most of whom are quite unknown to the public.

There is much evident truth in this contention. In the first place there is a growing tendency for parliamentary legislation to be confined to the enunciation of general principles, their practical application being left to the appropriate department of State. Thus a foreigner seeking to know what sort of education was provided by the British Government would discover comparatively little from the statute-book, and would have to rely mainly on regulations issued by the Board of Education. Even statutes, however, commonly owe much to the Civil Service. Many of them originate in memoranda drawn up by the permanent staff of a departmental Minister and submitted by him to the Cabinet. The big controversial Bills, it is true, are not those in which the hand of the professional administrator is most evident. But it must be remembered that under every Government scores of unobtrusive measures pass into law without attracting general notice, and that many of these have more effect on the life of the average man than the measures that make and destroy Ministries. And on nearly every clause of them the mark of the Whitehall expert is plain to anyone with the smallest knowledge of the conduct of national business.

Similarly, while the Chancellor of the Exchequer introduces the Budget, while Parliament votes the taxes and decides in considerable detail how they are to be spent, the functions of both Cabinet and Legislature in regard to finance are in great measure illusory. The annual estimates of the sums required to conduct His Majesty's Government are drawn up by permanent officials of the various departments, and subjected to criticism and co-ordination by permanent officials of the Treasury. They are of course considered by the Cabinet, and Parliament can modify them or reject them altogether. But few Ministers of State and few Members of Parliament have sufficient knowledge or time to bestow on them that meticulous

scrutiny which alone can afford ground for valuable criticism; and only a man very sure of himself and his subject will advocate obstructive action which may throw into chaos an essential part of the administrative system. Consequently the time allotted to Committee of Supply is largely spent in discussing the general behaviour of the Government, and the feelings and interests of the tax-payer receive comparatively little attention. Likewise, the Chancellor of the Exchequer (who has seldom been a financial expert) is bound, when drawing up the Budget, to trust mainly to the advice of the Treasury staff; he will doubtless insist that respect is shown to certain political principles, and he may know better than the experts how much the country will stand, but his freedom of comment and action is restricted within narrow bounds.

As for the general direction of the policy of a department, it might be thought that here the responsible Minister could easily make his influence predominant. And if the alternatives at his choice are sharply defined, and if he be a man of strong personality, no doubt he can. Now and then, of course, these conditions are fulfilled, and Whitehall is fluttered by the doings of a Joseph Chamberlain at the Colonial Office or a Morley at the India Office. But it is obvious that a change of Ministry rarely makes much difference to the methods, or indeed the aims, of Government departments. In some, indeed, such as the Foreign Office, it is an accepted rule that a new Minister shall continue his predecessor's policy, at least for a time. Elsewhere, however, it is not unusual to see a would-be reformer settle down quickly into the departmental rut, succumbing with scarcely a struggle to the subtle yet powerful pressure of office tradition.

For, under the British system, a newly appointed Minister is at a great disadvantage in dealing with his subordinates. He may be thoroughly versed in the tricks of politics. He may be a clever and capable man. But he probably knows little or nothing of the business of his department. He finds himself provided with a staff many of whom are as able as himself, and all of whom excel him in knowledge and experience of the problems with which he must deal. As long as clear issues of principle do not arise—and they seldom will—an intelligent and level-headed man will be glad to follow the counsel of such advisers.

It is difficult to see how this ascendency of the Civil Service —or, in a word, bureaucracy—can be destroyed or even prevented from growing. Only a return to the doctrines of *laissez-*

faire could avail to check it; and despite current criticism of the Government official such a reaction is not likely to occur for a long time. The nation must accept the situation, consider its merits and disadvantages, and see how far the merits may be intensified and the disadvantages removed.

For an intelligent and upright bureaucracy there is much to be said. And no one will deny that the higher officials of the British Civil Service are men of good natural parts and of unimpeachable integrity. Moreover, the scientific temper of the present age demands that trained professionals should be entrusted with the administrative work of the State, which becomes more complex and technical year by year. The rough-and-ready common sense of the unpaid Justice of the Peace can no longer be applied, as it was for centuries, to all new requirements, and though during the war successful use was made of many kinds of amateur officials, the expedient was only a makeshift and has been abandoned with the restoration of normal conditions. An extension of bureaucracy may well make for decency and order, and break the nation of its perilous habit of " muddling through."

At the same time bureaucratic government has certain characteristic defects. Some of them, it is true, will perhaps be avoided or at least mitigated in Britain. For as yet the rights and duties of British officials are all limited by the ordinary law, notwithstanding the tendency of recent Parliaments to make the limits wide. There is not (as there is in most other countries) one law for the official and another for the private citizen. Every official who exceeds his legal rights is tried by the same Courts as Brown, Jones, or Robinson. Thus, up to the present, the insolence of office, though not unknown, has been notably rare. The grosser forms of jobbery and corruption, too, have been eliminated. But all that is implied by the term " red-tape "—self-importance, mental sluggishness, inability to distinguish the vital from the trivial, exaltation of the means above the end, to name only a few of its aspects—has flourished at Westminster as richly as anywhere. And even when the Civil Servant shows zeal and energy it is not infrequently the interests of his department rather than those of his country that excite him. During the war more than one great department would apparently have preferred the victory of Germany to an increase in the prestige of another Ministry at the expense, real or imagined, of its own. Such jealousy may become so habitual as to prevent co-operation between departments on the most commonplace tasks.

There are many who hold that, human nature being what it is, such weaknesses as these are inevitable, and that Government offices will never show the same intelligence and vigour as private undertakings. At the present moment the inherent disadvantages of bureaucracy are much in the public eye. Yet the majority of the nation, while denouncing the Government official, seem eager to load the Government with new tasks. This inconsistent condition of mind is probably a main cause of the prevalent unrest. Those who idealise the State are apt to be excessively shocked and angered at the blunders and shortcomings of its agents.

The attitude of a nation towards its professional administrators depends largely on the way in which they are appointed. The British Civil Service is recruited mainly by competitive examination. At first sight, nothing could be more impartial or democratic. It happens, however, that the examination which admits to the most influential and remunerative posts is of such a nature (even after recent modifications) that Oxford and Cambridge men have an advantage over other competitors. It follows that most of the men in the higher ranges of the public services come of well-to-do families and have what is called the public-school outlook on the world. Another result of the scheme of the examination is that few of those who enter the Service have devoted much study to the subjects that are likely to be of practical use to them in their work. It is claimed that the examination has secured for the service of the State the type of man that is wanted, and that recent changes have met the most serious of the criticisms directed against it. But the critics are not silenced; they still assert that the examination is undemocratic, and that the recruits it secures have not been suitably educated for the work they will have to do. And there is no doubt that the man in the street regards the great officials of Whitehall as beings of a world very remote from his own. Whether his consequent distrust of the Civil Service is justified cannot be discussed here. But it is at least certain that no nation can nowadays pretend to possess democratic government unless it has devised a really democratic method of selecting its administrative officials.

The foregoing paragraphs have been concerned with certain tendencies in British political life. Of some of them few people are aware; they begin imperceptibly and may be operative for some time before their existence is noticed. And they can seldom be destroyed or even checked by legislation. All the laws in the world could not force Parliament to recover its old

spirit of independence towards the Executive, or compel the President of the Board of Education to draft a Bill without consulting his permanent staff. But there are always before the country questions of constitutional moment which can be solved, at least in part, by legislation. Such questions are changing continually, and never more rapidly than at the present time. Only those of particular importance or long-standing prominence can be dealt with here. When considering the salient constitutional problems before the public in 1914, the late Professor Dicey noticed House of Lords Reform, Women's Suffrage, Imperial Federation, the Referendum, Proportional Representation, and Ireland. Of these Women's Suffrage is the only one that has been disposed of by legislation. The rest have met with various fates.

At the present moment a Government Committee is considering the reform of the House of Lords, and the Government is intending to introduce legislation on the subject before the end of the existing Parliament. Ten years ago such an announcement would have caused furious excitement throughout the country. Press, platform, and taproom would have resounded with argument about the merits of a Second Chamber, the advantages of an hereditary peerage, the relative merits of nomination and election as means of appointing members of the Upper House, and the proper persons to exercise the right of nominating or voting. But, as things are, few people want to hear or talk about such topics. The country is not interested in the House of Lords. Its most implacable enemies recognise that since the passing of the Parliament Act it cannot do much harm. At the same time, the political views of the majority of the Lords have for several years been in general accord with those of the majority of the nation; some of those who assailed the House most bitterly in the past now rely on it for much of their support; while its attitude during the war—its vigilance in behalf of the liberty of the individual, and the breadth and moderation of its debates—went far to placate others of its former critics. So completely have the old prejudices disappeared that now it is the Conservatives who advocate reform and the Liberals who resist it. The former are actuated by the belief that with a reformed Upper House there might be a chance of securing the repeal of the Parliament Act; while Liberals are fairly well content with the present situation, recognising that an unreformed House of Lords must of necessity be weak. One need not be a cynic to suspect that neither party cares much about having

a good Second Chamber, while each wants one that will let it have its own way. It is possible that when concrete proposals are laid before it the excitement of the public will revive, but it is not likely that it will attain the pitch that it reached when the Parliament Act was under discussion. To tell the truth, the plain man has hardly sufficient regard for Parliament to trouble much about the relations of its component parts.

IV

QUESTIONS OF THE DAY

As for Imperial Federation, there was much talk of it during and just after the war; but the Imperial Conference of 1921 seems to have killed it. Many circumstances, indeed, seemed favourable for its adoption. The self-governing Dominions [1] have come to be recognised as of equal status with the mother-country; the war revealed a community of political spirit throughout the Empire; and a great ordeal, demanding common efforts and sufferings, tends to promote greater unity among those who pass through it together. But the war also made clearer than ever some of the grave difficulties that would beset any attempt to inaugurate a federal system. So convinced are the Dominion Premiers of the impracticability of any such scheme that they refused to carry out the recommendation of the Imperial War Conference of 1917 that a special Conference should be held to consider the constitutional relation of the component parts of the Empire. They moreover declared themselves opposed to the adoption of any written Constitution for the Empire. Now a federation cannot exist without a precise written definition of the rights and obligations of its several members and of the federal authority. Opinion in Britain and the Colonies may change; but at the moment Imperial Federation cannot be called a living political issue.

The Conference of 1921, however, had the same ends in view as the advocates of Imperial Federation. For their attainment it advocated "continuous consultation." An Imperial Conference should, if possible, be held every year. In the intervals, there is to be direct communication between the Prime Ministers of the United Kingdom and the Dominions, while the latter may nominate Cabinet Ministers to represent them in consultation with the Prime Minister of the United

[1] I.e. Canada, Australia, New Zealand, South Africa, Newfoundland, and now the Irish Free State.

Kingdom. Such at least seems to be the purport of the not very lucid resolutions passed by the Conference on this subject.

There has been a tendency, when the phrase "continuous consultation" has been discussed, to emphasise the adjective. The important word is really the noun. Communication between the Colonies and the home Government through the Colonial Office has for long been as continuous as anyone need wish. What the Dominion Premiers now demand is that they shall be constantly consulted as equals by the British Premier on questions of foreign policy and Imperial defence—in fact, on anything that may affect the Empire as a whole. It has, for instance, been contended by the late Canadian Premier (who attended the Conference) that the British Government should enter into no treaties or alliances without consultation with and the advice of the Dominions; that all such treaties, even when concluded, should be subject to the approval of the Dominion Parliaments; and that on all questions between the United States and Canada the advice of the Canadian Government should be final. Mr. Meighen, it seems, would actually claim for Canada greater liberty than he would allow to the United Kingdom. Further, General Smuts, in a letter to Mr. De Valera, has said that if Ireland accepts Dominion status, her relations with Great Britain "will be a concern not of Great Britain, but of the Imperial Conference. . . . Any question in issue between you [i.e. Ireland] and the British Government will be for the Imperial Conference to decide. You will be a free member of a great League, . . . and the Conference will be the forum for thrashing [*sic*] out any questions which may arise between members. This is the nature and the constitutional practice of Dominion Freedom." In view of the conditions under which the letter was written, there is no doubt that its assertions commanded the assent of the British Government.

Since the beginning of the war, in fact, the last shreds of the authority of the British Government and Parliament over the Dominions have disappeared. For many years, of course, they had been free to manage their own affairs; but if a Dominion Parliament had passed a law which the British Government considered to be detrimental to the interests of the Empire, the latter would have advised the Crown to refuse its assent. Now, presumably, such a measure would be submitted to the Imperial Conference. Furthermore, the policy which formed the Triple Entente was conceived and carried out by British statesmen; the declaration of war in 1914 was a British declaration, and

the Dominions, though they could not be forced to take an active part, at once became belligerents and as such exposed to German aggression. But at the Paris Conference in 1919 the British Empire delegation included Dominion representatives, and " all cardinal decisions were taken by the Delegation as a whole." The Dominions assented to the treaties of peace as separate States ; they are represented as though they were sovereign States in the Council and Assembly of the League of Nations. At the Imperial Conference of 1921 it was recognised by the British Government that the foreign policy of Britain ought to be determined in consultation with the Governments of the Dominions. Soon after the end of the Conference Mr. Lloyd George, speaking in the House of Commons, referred to the Dominions as " independent nations within the British Empire." It is no wonder that the word " Empire " is coming to be regarded as inappropriate in this connection, and that " British Commonwealth of Nations " tends to take its place, as in the so-called oath of allegiance prescribed for members of the Parliament of the Irish Free State.

What these developments may mean for the Empire as a whole cannot be discussed here. Mr. Massey, the Premier of New Zealand, thinks the Imperial Conference of 1921 " laid the foundations of a system which will in years to come develop into a satisfactory form of government for the British Empire " —a form of government based presumably on convention and custom. Meanwhile the only common authority recognised by Britain and the Dominions is the King. Apart from the conventional obedience and sentimental deference shown to him, the British Empire, so far as the Dominions are concerned, has become an Entente between several sovereign States. Whether that Entente will grow firmer or weaker depends on elements that lie beyond the scope of this review. But there is no doubt as to the effect on Britain of the changes just noticed. Her Ministers can no longer make with foreign countries arrangements which bind the whole Empire. Nay—and this is generally overlooked—they cannot make any treaties at all without consulting the Dominions ; and if the Dominions choose, they can presumably compel Britain to adopt a policy of which she disapproves. Moreover, if we are to believe General Smuts, any difference between Britain and one of the Dominions must be judged by the Conference.

The position of the Crown Colonies and the Protectorates seems at present uncertain. Problems relating to them were considered at the Imperial Conference of 1921 ; but they are

apparently still regarded as subject to the control of the British Government and Parliament. As applied to them the term "British Empire" has not yet become a misnomer. But so rapid and so momentous have been the recent changes in the relations between Britain and her colonies that one cannot define the present situation with any confidence, for what is true to-day may be false next week.

Of the other questions discussed by Professor Dicey, the Referendum has been little heard of in Britain since the beginning of the war. The proposal that important changes in law, after being carried in Parliament, should be submitted to a popular vote commended itself to people of various ways of political thought. Many thorough-going democrats naturally liked the notion of a direct appeal to the will of the people. Others hoped that the referendum would enable minority opinion to exercise more influence than it could at a General Election. Others, again, alarmed at the growing tyranny of party discipline over Members of Parliament, believed that the referendum would prevent the abuse of a parliamentary majority to carry measures which the country does not really want. Some hoped, too, that its adoption would cause voters to take a more intelligent interest in politics, instead of merely voting for a party or a popular leader. On the other hand, the referendum was opposed, even by men who professed democratic principles, on the ground that it would operate as a veto on reforming legislation, the masses (it was asserted) being generally conservative on any particular issue. It was also argued that it was absurd to subject the decisions of educated and intelligent men like Members of Parliament to the judgment of ignorant and stupid men like the bulk of the electorate. Little has for some time been heard of these conflicting arguments, though the referendum or plébiscite has been extensively employed in Europe under the peace treaties to ascertain whether the inhabitants of certain regions wish to retain their rulers, to change them, or to govern themselves. A plain question of that kind is, of course, a very different thing from a law on an intricate and technical matter. Still, the plébiscites on the Continent have served such a useful purpose that interest in the referendum will probably revive in Britain as soon as a legislative measure kindles popular excitement—an event which has not occurred for some time.

Since 1914 the principle of Proportional Representation has been adopted for elections to University seats in the British Parliament, and for all elections to the two Irish Parliaments

created by the Government of Ireland Act of 1920. It is claimed that the results justify these experiments. There are, of course, several schemes for securing proportional representation. The one that has secured official approval is that of the " single transferable vote." It has certainly been proved that this method will produce a representative assembly which reflects almost precisely the relative strength of the contending parties among the voters. Some " advanced " politicians, however, have joined with undisguised conservatives in denouncing the system because it is too complicated for the electors to understand, and will, moreover, lead to the existence in Parliament of several parties of almost equal size—a situation, it is said, which offers a fruitful opportunity for intrigue and corruption, and renders hopeless all attempts at vigorous action. The latter argument has weight, but is not one for sincere democrats. As for the alleged incomprehensibility of the system, it is true that the method of counting the votes cannot be understood without a little thought, but the method of voting is as simple as the process of backing a horse for a place. Nevertheless, the question at present does not seem to arouse much general interest. Most supporters of the Coalition Government seemed well content with a system which had given them a parliamentary majority enormously large in proportion to their preponderance among the electors. Of those in opposition, many hoped in their turn to benefit by the anomalies of the existing arrangements, and some were disposed to despise parliamentary and other constitutional methods and to have recourse to action which they euphemistically term " direct."

About Ireland, in some ways the biggest and most troublesome of all the subjects in the public mind, one must write with diffidence, for at any moment Irish affairs may take a new and unexpected turn. Still, the treaty of December 1921 has been accepted by the Parliament of Southern Ireland, and a definite Government is in existence. So far, then, the treaty has been executed, and it may be that in the end it will be fully carried out. Should this happen, its political importance will of course be immense. The United Kingdom as it has existed since 1800 will be broken up, and a part of it will cease to acknowledge the authority of the British Government and Parliament. But from the strictly constitutional standpoint, the change will be less than that intended by the partially abortive Act of 1920. The Constitution of a country is not necessarily altered because a piece of territory is severed from it. No members are returned to the British Parliament

from Southern Ireland—none have actually attended for some years—and certain administrative offices have been abolished. The British Government will be relieved of a source of constant difficulties, and on the other hand will have to take into account the views and policy of a new self-governing Dominion. But within what is left of the United Kingdom the British Constitution will continue working as before. Now the Act of 1920, which remains substantially in force for "Northern" Ireland, maintained the sovereignty of the British Parliament over the whole of Great Britain and Ireland, and that Parliament may still legislate for Northern Ireland on all matters. There are, too, many things which the Government and Parliament of Northern Ireland may not do. For instance, the making of war or peace, official dealings with the Colonies or foreign States, and the raising of military forces lie outside their jurisdiction; whilst the new Parliament may not legislate on certain subjects or impose certain kinds of taxes. Still, within Northern Ireland it may do many things which previously only the Parliament of the United Kingdom could do, and it may be taken for granted that the latter will allow it a free hand in respect of all matters within the scope of its authority. Practically, the United Kingdom Parliament has delegated a number of its powers to the Parliament of Northern Ireland. Constitutionally it is an important innovation, and it may become an important precedent.[1]

The issues that have arisen since the war have not as a rule been of much constitutional significance. The League of Nations, it is true, has often been spoken of as though it would gravely affect the Constitution. The members of the League, it has been argued, have ceased to be sovereign States. The British Parliament is no longer an independent assembly; its action on certain important subjects is fettered or even prescribed by the Covenant; and in future the various authorities of the League, and not their own Parliament, will dictate to the British people what their policy is to be in various important contingencies. Defenders of the League reply that, even if this be true, no new situation is created. The League is an alliance, the Covenant a treaty. The alliance is a particularly big one, the treaty particularly elaborate. But neither alliance nor treaty differs in kind from many others to which the nation has become a party in times past. It can, under certain conditions, withdraw from the League, just as it could in certain

[1] These matters are treated in greater detail in the volume "Ireland," of this Series.—Ed.

circumstances denounce a treaty. It is true that under the Covenant members of the League accept more obligations than were commonly imposed by international treaties in previous times. On the other hand, the terms of such treaties were generally kept secret from the people of the countries affected, and their practical effect depended largely on the statesmen who at a crisis had to interpret them. The burdens imposed by membership of the League of Nations are known to all concerned. The League may diminish the power of the Foreign Office and perhaps of the Cabinet; but there is no reason why it should diminish the power of Parliament.

The nationalisation of certain essential industries and public services has been strongly advocated of late years, discussion since the war having been centred on coal-mines and railways. Opponents of nationalisation sometimes speak as though its advocates were trying to introduce a new principle into the government of the country. As a matter of fact, a good many industrial and commercial undertakings are already in the hands of the State. If the State carries letters and parcels, for instance, it may, without adopting any novel theory, carry bulky goods and passengers. In fact, the railways and collieries might be nationalised to-morrow without the alteration of any law or convention that can properly be called "constitutional." Such a course, no doubt, would produce results of constitutional significance. The bureaucratic element in the government of the country would be greatly strengthened, and the creation of a vast body of labour in Government employ would increase the risk of corrupt practices in politics. The nationalisation of industries, however, is primarily an economic question and ought to be judged as such.

It appears, then, that the questions most discussed since the war are unlikely to have much effect on the Constitution. Such changes as have lately taken place are due mainly to causes which operate slowly and often obscurely—causes which mere legislation is powerless to control. In some quarters, indeed, it is fashionable to believe that the influences making for political change will lead to something far more drastic than the modification of a few constitutional conventions—that the whole basis of parliamentary government will be subverted. To justify these apprehensions, emphasis is laid on the growing contempt for Parliament and even for law—a contempt displayed not merely by avowed revolutionaries, but by many people of cautious or conservative instincts. There is no doubt that this spirit is widespread; there is no doubt either that it

is incompatible with the successful working of the British Constitution or of any free Government whatever. Nor would it be safe to assume that parliamentary government will last for ever and escape the fate that has befallen the city-state, feudalism, theocracy, and absolute monarchy. Still, the English nation has shown such a peculiar genius in the working of parliamentary institutions that it is hard to believe that it will wantonly cast them off. Already, as we have seen, there are signs that the credit of Parliament is beginning to recover, and that the nation has come to recognise that it has no satisfactory substitute for what is, though imperfect, a well-tried institution.

SECTION II . . . THE DEFENCE OF THE EMPIRE

DEFENCE OF THE EMPIRE

INTRODUCTORY

THE problem of defence of the British Empire is one of extreme complication, without precedent in the history of the world. "Empires" in ancient and modern times have been founded on the idea of assimilation, of forcing human material into one mould. The idea and basis of the British Empire is entirely different. There is no desire to standardise its component nations, they are free to develop towards greater and fuller nationality, and in accordance with their capacity, progress, and environment to evolve freely on principles of self-government. In considering the problem of defence of the whole organisation it is therefore necessary to maintain clearly the distinction between the "Commonwealth of self-governing nations," in an advanced stage of national development, and the British "Empire" proper, the United Kingdom and the Colonies and the Protectorates governed therefrom, and the Mandatory territories for which the people of the United Kingdom have recently resumed the responsibility. India, an Empire of itself, does not come precisely into any of these categories at present, but is evolving towards independent nationality on the lines of Canada, Australia, New Zealand, and South Africa, the great differences, from the defence point of view, being that British troops are retained there to participate in defence against invasion from without and rebellion from within, and that in time of peace Indian troops are employed outside India to defend outlying portions of the British "Empire" as above described. Another special point to be noted is that the United Kingdom, from a defence point of view, is no longer one homogeneous whole, but that Southern Ireland has now become a "Free State," with the right to maintain and to control its own army.

The importance of taking count of these considerations before proceeding to details is obvious. With a few small exceptions the members of the above Commonwealth of nations in normal times take no part in the defence or policing of

territories beyond their own borders. This responsibility, when local resources do not suffice for the purpose, falls constantly upon the people of the United Kingdom, who provide the military man-power and the financial resources needed for the purpose. In time of war, the extent to which the self-governing nations co-operate actively in the conflict depends upon themselves. The present situation is that when one is at war, all are at war with the same enemy ; but with the development of independent nationality has been revived talk of " optional neutrality," which, in order to be recognised by foreign countries, would mean the internment of any British troops in the territory concerned, and the denial of its harbours and resources to British war-vessels. It is interesting to note that this theory was strongly repudiated by one of the Empire's greatest statesmen, the late General Botha, in the year 1912, but it has been put forward again since the impetus given to independent nationality in the Commonwealth of nations by their active participation in the Great War, and by their acknowledgment as semi-independent States in the subsequent peace negotiations, confirmed by the signature of the peace treaties by their representatives.

The conditions to be fulfilled in any system of Empire defence may be summed up in the word " security." All the populations concerned, of whatever race, must be secured against foreign aggression and free to develop on their own lines ; this may be summed up as territorial security. There is a further need for the safety of external communications, especially by sea, not only for the sake of prosperity, but, in order that, in the United Kingdom and some other territories, the actual lives of the people may be secured from starvation ; this may be summed up as security of sea communications. When provision has been made for both these forms of security, there remains the question of provision against civil disturbances and rebellions. These are conditions affecting all countries. They have been specially prevalent since the great upheaval in economic and racial conditions brought about by the Great War, and they have been fostered by propagandists of foreign autocracies hostile to the principles of free and unfettered national, racial, and economic development, upon which the strength of the British Empire rests.

In these days of economic interdependence it has been clearly proved that prosperity cannot be confined within national boundaries, but depends upon goodwill, and upon a give-and-take policy between nations. It can equally be demonstrated

that domestic prosperity within the national frontiers depends upon goodwill between the races and classes dwelling within those boundaries. The chief protagonists against this view emanate from Soviet Russia, where the example of the ruin brought by the opponents of the principle upon the population of their own country should provide a warning, in the British Empire as elsewhere, against the propagandists of world-revolution. It has been necessary to refer to this subject in connection with British Empire defence; there is less fear from dangers coming from without if the body politic is free from internal disturbance. Bearing this important point in mind, we can now devote our attention to defence against external aggression.

I

SEA-, AIR-, AND LAND-POWER

THE principles upon which the British Empire is defended were explained by the Imperial General Staff to various Empire conferences early in the century as being three in number: (1) Security of sea communication, (2) Local provision for local defence, and (3) Mutual support where local resources do not suffice for the purpose. It is in the light of these principles, and of the conditions of territorial security and the security of sea communications, that the defence of the Empire can best be considered.

Sea-power has hitherto dominated all questions of British Empire defence. The United Kingdom, Australia, New Zealand, and other islands have been secured against hostile invasion by sea-power, which has also rendered possible the reinforcement in times of emergency of continental territories of the Empire which might be threatened with invasion across their land frontiers. Adequate sea-power has also provided for the security of sea-commerce upon which, as we have seen, the large proportion of the world's population dwelling under the protection of the White Ensign depends for prosperity and, in some cases, for security against starvation. Up to the end of the last century British sea-power, which extended all over the world, had for many years been unchallenged. The defence problem to which European nations devoted most attention was the defence of their land frontiers against invasion by the armies of neighbouring States. The United Kingdom, with a certain amount of aid voluntarily given by

other parts of the Empire, adopted at the close of the century a " Two-Power " standard of naval defence. In this standard no regard was paid to the nationality of the Powers concerned; the two Naval Powers next in strength were selected, regardless of flag, on the theory that sea-power was so vital a condition of security that it would be unsafe to gamble in this respect upon the goodwill of any foreign State. A margin of extra cruisers was allowed for trade-protection, over and above the standard in capital ships, and thereby it was thought that in any reasonably probable emergency sea-communications could be maintained, not only in home-waters but also in the most distant seas, by the British Navy without foreign assistance. The first sign of a change in this policy was seen in 1902, when, in order to meet the apparent threat to British interests in the East afforded by the maintenance by Russia of a squadron of capital ships in Eastern waters, an alliance was made with the Japanese, who were developing a strong Navy to protect themselves against the Russian menace. Corresponding advantages were gained by Japan under this alliance, which has now been merged in a wider pact between the Pacific Powers.

At about the same period the writings of the late Admiral Mahan on the influence of sea-power upon the history of nations, and upon the issue of land-warfare between military Powers—however strong might be the armies which they maintained—were being widely read on the continent of Europe; and Germany determined to build a strong fleet in addition to maintaining the strongest army in the world in a state of readiness for the most rapid action. The effect of this menace to British sea-power in distant waters can be traced by a brief reference to pronouncements on the subject made by the Admiralty. In their memorandum of 1902 to the Empire they wrote that the requirements of naval strategy necessitated being strong enough to conduct a vigorous naval offensive all over the world, while, at the same time, concentrating a sufficient force to ensure victory in the decisive battles, in whatever part of the seas those battles might take place. By 1909 the German menace was made clear to all by the secret acceleration of the German naval programme, and a special Empire defence conference was summoned. It was evident that British home-waters were the part of the seas where the " decisive battles " were most likely to occur, and with that possibility in view the bulk of the British Navy had been concentrated in those waters.

By 1912 the Admiralty, in the face of German competition, had modified their views, as expressed in 1902, about the need of an immediate offensive all over the world as a requirement of naval strategy, and wrote (to Canada) that " naval supremacy is of two kinds, general and local. General naval supremacy consists in the power to defeat in battle and drive from the seas the strongest hostile navy, or combination of hostile navies, wherever they are to be found. Local superiority consists in the power to send in good time to, or to maintain in, some distant theatre forces adequate to defeat the enemy or to hold him in check till the main decision has been obtained at the decisive point." The point was added that Great Britain's power to send an effective fleet of battleships and cruisers to the Pacific without courting disaster at home would " be diminished with the growth, not only of the German Navy, but by the simultaneous building by many Powers of great modern ships of war."

As the German menace developed, the Two-Power standard was abandoned, and a standard of 60 per cent. in capital ships above Germany was adopted. In the Great War of 1914–18 Great Britain was not called upon to deal unaided with the maintenance and establishment of the sea-power upon which the success of the cause of the Allied and associated Powers depended, but, with the aid of some of her Allies, the necessary conditions were secured, as described in other chapters. Her opponents' naval home-bases in that war were in the Baltic, North Sea, and Mediterranean; the problem would have assumed a different aspect if such principal naval bases had been in more distant seas, such as the Pacific Ocean, which has since become a centre of naval interest.

The situation immediately following the war was that, the German menace having been removed, Great Britain scrapped a large proportion of the vessels which had taken part therein, and did not undertake any post-war new construction. The United States and Japan, on the other hand, were the only countries in the world to introduce new and far-reaching building programmes embodying lessons learned from recent war experience. Great Britain in these circumstances was called upon to adopt a new standard of construction. A One-Power standard was adopted, that Power being the United States, and a building programme was prepared which would satisfy the conditions involved by that standard. Events seemed to be leading to a competition in naval armaments, especially those maintained in the Pacific, and there seemed to be every

possibility of an ultimate resort to what might have developed into a world-wide war if this competition continued. The result of the Washington Conference, which was held in the winter of 1921–2 at the invitation of President Harding in order to check the growth of this danger, was that the five principal Naval Powers, Great Britain, the United States, France, Italy, and Japan, agreed to limit their total tonnage of capital ships, to maintain such tonnage in a proportion agreed upon between the countries concerned, to build no such ships of more than 35,000 tons standard displacement, and to mount no guns in them exceeding sixteen inches in calibre. A further agreement was arrived at to prevent replacement of old capital ships by new ones excepting under certain conditions. Further proposals were put forward by the United States to limit the construction of other vessels in the same proportion, and by Great Britain to forbid altogether the use of submarines, but these proposals were rejected. A proposal to maintain the *status quo* in regard to fortifications and naval bases in the Pacific was adopted, the practical result of this being to render impossible the use of capital ships other than those of Japan in Chinese or Japanese waters, or the use of Japanese capital ships in American waters. Further agreements were come to between the five Powers concerned to limit the calibre of guns in war-vessels other than capital ships to eight inches, and to forbid preparations being made in merchant vessels for their conversion into warships, other than stiffening the decks to mount guns not exceeding six inches calibre. A proportional limit, similar to that adopted for capital ships, was initiated for aircraft carriers, of which more anon.

While the Washington Naval Treaty left the signatories free to start or to continue competition in all naval armaments with the exceptions mentioned, the chances of such competitions being initiated were much reduced by various treaties affecting the interests of the countries concerned, about which disputes might be likely to arise. The stipulations of the Washington Naval Treaty remain in force until December 31, 1936, and subsequently, unless a two-years' notice of its termination has been given by one of the parties concerned.

Reverting to aircraft carriers. Claims are being put forward by airmen, as the result of recent experiments, that fleets of aeroplanes starting from land aerodromes could be used so effectively against war-vessels that the exercise of sea-power to maintain sea communications would be impossible unless air-power were first secured, and the command of

the air obtained. This proposition, from the point of view of Empire Defence, must be considered specially in its bearing upon local waters within reach of large forces of big aeroplanes starting from land, their air range, when carrying bombs heavy enough to be effective, being limited to a few hundred miles. Whether air-command is essential to the maintenance of sea-communication under such conditions is a question that cannot be established satisfactorily by peace experiment, but the menace is already sufficiently formidable to merit the grave attention of the authorities responsible for the defence of the sea-communications of the Empire, especially in the neighbourhood of countries developing their air-power on a large scale.

The radius of action of aeroplanes is, as we have noted, limited to a few hundred miles. For employment in seas distant from their country of origin they must be carried in vessels specially constructed for the purpose. The art of starting from and alighting upon such vessels is still in the experimental stage. Sea-planes, on the other hand, which have less carrying capacity, can alight on the water and be hoisted in under favourable weather conditions. It is said that the Washington limit—35,000 tons—of the size of capital ships was based upon the tonnage required to build vessels sufficiently protected against air-attack by bomb or torpedo; and the impression conveyed by public pronouncements in the United Kingdom and other countries is that, in order to fulfil the first principle of Empire Defence, the security of sea-communications, the Navy must be aided by aircraft in adequate strength to cope with air-forces likely to be encountered. These enemy forces might be in considerable strength in waters within a few hundred miles of hostile territory, but much more limited in numbers in more distant seas, to which they must be conveyed in aircraft carriers.

To summarise: we find that in twenty years the position at sea has completely changed, and, as the Admiralty predicted to Canada in 1912, British relative sea-power, both specific and general, has been "diminished by the simultaneous building by many Powers of great modern ships of war." We also find that, in order to fulfil its mission of ensuring territorial security and the safety of sea-communications, the British Navy requires the aid of air-power.

We must take note, before passing to other aspects of Empire Defence, of the increasing substitution of oil-fuel, of which only an infinitesimal amount is available in the British Empire, for coal, of which there is an abundant supply, and upon which

British sea-power has depended since steamers have replaced sailing vessels. The British Navy has depended for many years upon foreign supplies for lubricants, which are as important a requisite as fuel, and, in order to provide for war conditions, considerable reserves of lubricants have always been maintained. These require comparatively little storage accommodation, but a similar policy applied to oil-fuel entails considerable capital expenditure in providing a vastly greater storage capacity. Great Britain emerged from the Great War with sorely restricted financial resources, and economic recovery has been delayed, largely by strikes, partly by the loss of purchasing-power in other countries and consequent loss of market for manufactures. One of the economies instituted under these conditions has been the postponement of the storage accommodation for oil-fuel for the Navy in different parts of the world. It is clear that such economy can only be justified on the assumption that there will be no Great War in which the British Navy is engaged for the next ten years, and meanwhile dependence would have to be placed upon constant foreign supplies, which would mean that British sea-power could only be exercised on sufferance.

We can now pass from the security of sea-communications, upon which all the other conditions of Empire Defence depend, to the military defence of territory, both by local provision and by mutual reinforcement.

The provision made by the United Kingdom for the military defence of the Empire has hitherto been conducted under what has come to be known as the Cardwell system. The number of units of the regular army kept on home service under that system is based upon the strength of the garrison maintained overseas in time of peace, the units at home providing reliefs and drafts for units abroad. (" Home service " was intended originally to mean service in the United Kingdom, but this principle has at times been considerably strained by including in that category troops in Mediterranean stations, armies of occupation in Europe, and so on.) Oversea territories, under the Cardwell system, have been policed and defended with a minimum number of troops, reliance being placed upon the relieving units which formed, in the United Kingdom, a central reserve capable of despatching reinforcements in times of emergency, or small expeditionary forces to take part in small wars, without resorting to a regular mobilisation involving calling up the reserves. During the year preceding the Great War of 1914–18 this central reserve in

the United Kingdom was organised as a special British Expeditionary Force, commonly known as the B.E.F. This little army consisted of six divisions and a cavalry division, with some army and line-of-communication troops. It was specially organised and equipped for European warfare, and capable of rapid mobilisation on a war-footing by calling up reservists. Arrangements were also made to form a seventh division out of the units on oversea service as soon as these units could be withdrawn and assembled in the United Kingdom. Further provision was made for trained reinforcements, numbering 80 per cent. of establishments, to replace casualties in units in the early stages of a war. Behind this Regular Army was the Special Reserve (formerly Militia), whose units provided drafts for that army, the Territorial Force of fourteen partially trained field divisions and garrison troops, and the Yeomanry. The Territorials and the Yeomanry were available for home-service only under their terms of service, but they could volunteer, either as individuals or as units, for service abroad in times of emergency.

Similar conditions applied to the forces, both regular and auxiliary, maintained by the self-governing Dominions grouped with the United Kingdom to form the Commonwealth of Nations. There was, and is, no guarantee that any such forces would be available to reinforce the British Army in the field in time of war, but for many years the General Staff has been working for uniformity, in all these forces, of equipment, training, and staff-methods, and their work produced good fruit in the Great War. The Indian Army, on the other hand, was and is available for service outside India, and Indian troops have constantly been so employed of late years, both in peace and in war, the cost usually being borne upon the estimates of the United Kingdom. In Africa, certain voluntarily enlisted forces such as the King's African Rifles are also available for service outside their own countries.

A point of great importance to be gathered from this summary is that the strength of the British Army in the United Kingdom was and is based, not upon any estimated requirements to provide against any particular military contingency, either in Europe or elsewhere, but upon the number of British troops necessarily maintained as garrisons of oversea territory in time of peace. The bulk of these troops maintained overseas are in India, and the number of British troops maintained there has for the past sixty years depended upon the accepted proportion of one British to two Indians in the cavalry and

infantry, and all British for horse and field artillery. The forces in the Native States are not included in this proportion. Some of those forces include Imperial Service troops, available for general service, which numbered about 18,000 in 1914, and are now being largely increased. In connection with the general question of maintaining in future the proportion of British to Indian troops in the Army in India, Sir Umar Hayat Khan, in a minute attached to the report of the Army in India Committee which sat in 1919–20 under the presidency of Lord Esher, expressed the opinion that "just as it is necessary, in the interests of efficiency, to have old and seasoned soldiers in the ranks of the Indian Army, it is equally essential to stiffen it by the British element, i.e. by British Units, however expensive it may be." He added: "The necessity for this I have myself seen in the last war. There have been occasions when it was only the presence of British Units which kept the Indian troops staunch. It must not be forgotten that, while British troops are fighting for the integrity of the Empire, the Indian soldiers, gallant though they have so often shown themselves, cannot have the same inducement to fight for a distant Raj, and therefore require the stiffening which British troops afford."

The foregoing notes on the provision that has been made for the military defence of the British Empire show that there can be no question of the adoption therein of an aggressive military policy. The only force kept in readiness in 1914 for immediate action outside the Empire's frontiers was a little field army in the United Kingdom of six divisions and a cavalry division, and that little army, for reasons of economy, has since been reduced to a small expeditionary force of only one division and a cavalry division, to be followed at long and uncertain intervals by three more divisions.

On the other hand, given ample time for development, stable internal conditions, and a clear cause in which to take up arms, the Empire contains within its boundaries vast resources in man-power and material for developing and equipping great armies, and, given the necessary condition of sea-command, for employing these in any theatre of war indicated by the needs of Empire Defence.

II

EMPIRE RESPONSIBILITIES

PASSING from general principles, we can now take note in further detail of the pre-war responsibilities for the military defence of the Empire, and compare them with the conditions now obtaining as an aftermath of the supreme effort and sacrifice expended to secure victory in the Great War. The United Kingdom, Australia, New Zealand, the West Indies, and other island territories in different parts of the world were secured primarily by the Navy against "invasion"; continental territories such as those in Africa were similarly secured against any hostile armies which would be obliged to cross the sea, from Europe or elsewhere, in order to achieve their purpose. There was much controversy on this subject, partly attributable to difference of opinion as to what constituted "invasion," which was ultimately defined by Mr. Asquith when Prime Minister as implying the use of an army of sufficient strength to conquer the country concerned, which means not only defeating the local forces, but enforcing its will upon the civil population and government. The principle was accepted that our Navy would be aided in their task if an enemy could be compelled, by the strength of the local forces maintained in territories of which he contemplated the invasion, to set apart a large army for the purpose. The embarkation, sea-transport, and disembarkation of such an army would take a considerable time, during which the necessary naval concentrations could be effected. As an example, sufficient military forces were maintained in the United Kingdom for home defence to deal with a hostile "raiding" force of 70,000 men, should such an army succeed in effecting a landing.

The provision needed for the defence of land-frontiers depended mainly upon their geographical position and upon the attitude, general policy, and military resources of neighbouring States. The longest land frontier, between Canada and the United States, required no provision for its defence. On the other hand, the defence of the north-west frontier of India against invasion by Russian armies was at one time looked upon as a most formidable problem. On account of the strength of that mountain frontier, the lack of communications for the transport of large armies across Afghan territory, and their subsequent supply, it was considered that invasion in force

by a Russian Army could not materialise for many months, the general impression being that about a year and a half must be occupied by the Russians in railway construction in Afghanistan before a strong army could reach the frontier. Given the possibility of constructing and of defending railways to their home-bases, Russian armies, if successful in invading Indian territory, would be confronted with the further problem of defending their communications against the warlike frontier tribesmen operating from mountain fastnesses. In the event of attack by Russia, an estimate was made that it would be necessary gradually to reinforce the Army in India by nine British divisions. The situation was, however, eased, and the menace averted, by a treaty contracted with Russia in 1908, whereby spheres of influence in Persia, a former cause of friction, were carefully delimited.

Another land frontier affecting Empire defence was the eastern frontier of Egypt. This was open to invasion by forces coming from Turkish territory, which might threaten the security of traffic through the Suez Canal, a very important British interest. Owing to its use by British Empire commerce, and as a line of communication for war-vessels and troopships, this has been called the " spinal cord of the British Empire." It was secured from attack by the desert country intervening between the Canal and the frontier, and a modicum of Egyptian troops, stiffened by a few British units. Other land-frontiers worthy of notice in the same continent were the boundaries of German East and South-West Africa, which were crossed, as was anticipated, by forces under German control in the Great War. No such menace was anticipated from French, Italian, or Portuguese possessions in Africa, or from Abyssinia, but in certain areas, such as Somaliland and the Sudan, there had been occasional need for military operations on a small scale. The British Army maintained in South Africa was gradually being reduced, and has now been completely withdrawn.

Other land-frontiers needing consideration here are the Kowloon territory, on the Chinese mainland opposite to Hongkong, and the Aden hinterland, both of which areas have at times been the scene of trouble requiring the use of military force, and, finally, the land-front of the fortress of Gibraltar, where a considerable British garrison is constantly maintained.

We have already dealt with recent changes in the naval situation, which govern the whole problem of Empire defence. Under the terms of the treaties of peace which followed the

Great War considerable additions were made to the burden of Empire military defence. " Mandates " were accepted for wide areas of continental territory in the Middle East and in Africa, involving the moral responsibility for defending these areas against hostile forces. Similar Mandates were accepted for islands in the Pacific, of which the security can be guaranteed only by naval forces in local waters at least equal in strength to hostile sea-forces which could operate therein. A further responsibility was accepted for providing military forces to aid in securing a free passage for the vessels of all nations in and out of the Black Sea through the Dardanelles and Bosporus.

The Mandates are of three classes, A, B, and C. The Mandatory system was established by the League of Nations Covenant, which is embodied in the peace treaties, its object being to remove inducements to go to war by ensuring that no advantage shall accrue to the victors. The League of Nations Assembly passed resolutions to the effect that no Mandatory Power should derive either economic advantage or increase of military forces by the acceptance of Mandates. The effect of their acceptance by the British Empire, or by portions thereof, has more than satisfied these conditions by increasing the economic and military burden, borne chiefly by the people of the United Kingdom.

The Mandates are not in their final stage. Class A Mandates affect " communities, formerly belonging to the Turkish Empire, which have reached a stage of development where their existence as independent nations can be provisionally recognised subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone." In this class Great Britain is the Mandatory for 'Iraq (Mesopotamia) and Palestine. Class B and C mandates affect communities formerly included in the German Empire, Class B being " at such a stage that the Mandatory must be responsible for the administration of the territory " under certain conditions, which forbid the " establishment therein of fortification or military or naval bases, and the military training of the nations for other than police purposes and the defence of territory." Great Britain has accepted Mandates of this class for most of what was German East Africa, and for a small portion of German Togo. Class C Mandates are for territories " which, owing to the sparseness of the population, or their small size, or their remoteness from the centres of civilisation, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can

best be administered under the laws of the Mandatory as integral portions of its territory." Of these Mandates, which amount to annexation, subject to furnishing an annual report to the League of Nations, the Union of South Africa is the Mandatory for what was German South-West Africa; the Commonwealth of Australia for late German possessions in the Pacific, south of the Equator, other than Samoa and Nauru Island [1]; New Zealand for German Samoa; and Great Britain for Nauru Island. The main military burden resulting from the acceptance of the above Mandates falls, however, upon Great Britain, as Mandatory for 'Iraq and Palestine: and for this an experiment in economising in military force by the extended employment of air-forces and the use of mechanical transport is being tried in 'Iraq, whilst Palestine is policed by a specially raised gendarmerie.

The general conditions affecting the post-war military problem of Empire defence, as compared with the pre-war situation in 1914, are therefore (1) that responsibilities have been accepted in wide areas of ex-Turkish territory in the Middle East and of ex-German territories in Africa and islands in the Pacific; (2) that the inhabitants of countries on the borders of Empire territory are better armed and equipped, so that larger proportional forces are required to confront raids or invasion; (3) that under a recent treaty all control over the foreign policy of Afghanistan has been abandoned, whereby the defence of the Indian frontier is somewhat unfavourably affected, and (4) that Egypt is evolving towards complete independence, leaving the defence of the Suez Canal, and not of the whole of Egypt, as a British military responsibility.

Looking to the future, we must now turn to the development of air-power and its influence upon the problem of defence of a world-wide Empire. So far we have only touched upon its influence upon sea-communications and upon the strength of military forces maintained in Mandatory territories. Air-power may be exercised through lighter-than-air craft, rigid or non-rigid airships, or through heavier-than-air craft, aeroplanes, sea-planes, and amphibians. It is claimed for air-power that by its means a war could be brought to a conclusion by direct action against the civil population of an opposing country, without the intervention of navies or of armies in the conflict. This takes us back to the basic object of war, which is not merely to defeat the armed forces of the enemy, whether by sea, land, or air: that is only the means to the end. The

[1] Between the Solomon and Gilbert Islands.

ultimate object is to induce the opposing nation to concede the point in dispute, using not only armed forces but all means, political, economic, financial, etc., to cause such distress and discomfort as to enforce surrender as the only means of escape from a situation which has become intolerable. By using land-forces the process is generally a long one; with sea-forces, applied against a continental nation, far longer. An air-war conducted by a nation possessing large air-forces could, it is claimed, be concluded in a single stage against another nation within the radius of action of such forces. The argument that rapid and ruthless action is in the end more merciful than the long-drawn-out horrors of a land war might be revived, and the temptation to such rapid action might be irresistible. Furthermore, the moral effect of violence, and the fear of it, is measured by the rapidity of its application. The shorter the time the more blatant the tragedy, and the more far-reaching in its immediate effect. With air developments in their present state, such action against the civil population on a sufficiently big scale to be decisive would, it has been assumed, be carried out by large weight-carrying aeroplanes, starting from land-bases, accompanied by an escort of fighting machines. The radius of action of the heavy bombers when loaded would be limited to a few hundred miles, and a glance at a world-map shows that the United Kingdom is the part of the Empire chiefly affected by such predictions.

The distance from their country of origin at which air-craft in smaller numbers could operate can be increased indefinitely by the use of fast vessels specially adapted to transport them by sea. Here we can take note of the effect of the Washington agreements between the principal sea-Powers to limit the number, tonnage, and armament of such vessels.

In the air, as in the other elements, the success of any system of defence postulates the power, sooner or later, of striking back. Purely passive defence can never achieve victory. It has been maintained that, in the air, the only way to guard against the risk of immediate bombardment of thickly populated industrial centres and of naval and military resources would be to maintain adequate air-forces for reprisals. At sea, the possession of sufficient sea-forces to guard one's own merchant shipping postulates the insecurity of the enemy's sea-commerce. On land, field armies, even when maintained primarily for defence, can also be used for attack.

The future is in the lap of the gods. The whole world is war-weary. The British Empire stands for progress and for

equal opportunity, according to their capacity, for nations, for classes, and for individuals. Forces in conflict with these principles are still at work in the world. Retrograde movements are on foot to establish autocratic control by classes or by individuals over their own nations, and to menace neighbouring nations not in sympathy with such policies. The defence of the Empire, as we have seen, has rested less upon the strength of combatant forces ready for immediate action than it has upon a desire for freedom of development and independence of outside control, which is shared by its 400 millions of the world's population, grouped, whether as independent or semi-independent nations, colonies, or protectorates, by allegiance to the same constitutional Sovereign. Formerly, before the competition in naval armaments, provision was made to meet many probable eventualities. The present policy of Great Britain, as recently defined, is to proceed upon the assumption that there will be no great war involving the British Empire for ten years, and to make provision against the certainty of bankruptcy, rather than against the uncertain risks which such a war might entail. The conditions of safety in Empire defence would require, according to the part of the world most seriously affected, a domination over all possible enemies there situated, either in sea-power, in air-power, in land-power, or in combinations thereof. To make provision for all such eventualities would not be possible, and the best course in such circumstances is to provide against the most likely danger. While possessing but few combatant forces in readiness for immediate action, the Empire's potential force in combatants and in economic and financial resources is tremendous. Given tranquillity within, few dangers need be feared from without. "Great Britain," as the Admiralty wrote to Canada in 1912, "will not in any circumstances fail in her duty to the Dominions of the Crown. She has before now successfully made head alone and unaided against the most formidable combinations, and she has not lost her capacity by a wise policy and strenuous exertions to watch over and preserve the vital interests of the Empire." There is no reason to modify that pronouncement, or to doubt that, in a conflict of principles like those at issue in 1914, the whole Empire would again respond to ward off a similar menace to its existence.

III

CONCLUSIONS

In conclusion, and in order the better to realise recent alterations in the problem of Empire Defence, we can note that in 1907, when British sea-power was unchallenged, Great Britain possessed 52 battleships, compared with 43 belonging to the two Naval Powers next in strength, whereas, according to the Washington Naval Treaty, the leading naval Powers now maintain capital ships in the proportion: Great Britain 5, United States 5, Japan 3, France and Italy 1.75, giving a proportion between Great Britain and the next two Powers of 50 to 80, compared with a proportion of 52 to 43 sixteen years ago. Taking geographical distribution into consideration, the figures for capital ships normally maintained in 1907 in various parts of the world are given below:

First-class Battleships in 1907

	British.	Next two Powers.
Home waters, Baltic and Atlantic	45	40 (Germany and U.S.A.)
Mediterranean	7	27 (France and Italy)
Pacific	nil	14 (Japan and U.S.A.)
	52	81

The Two-Power standard of those days did not imply, it will be observed, a Two-Power standard in each sea, as compared with the next two nations maintaining capital ships therein. To support such a policy Great Britain would have required 81 battleships. A similar limitation applies to the present One-Power standard, in which battleships are again taken as the basis. Under the old Two-Power standard a margin was allowed for cruisers, and for smaller craft for commerce, protection, and for ensuring territorial security. The One-Power standard, being based only upon the capital ships of the United States, does not affect the provision necessary for commerce protection and for territorial security in the event of other Powers maintaining large numbers of other vessels, cruisers, submarines, mine-layers, and air-craft carriers, of which the last-mentioned is the only class regarding which building programmes were limited by the Washington Treaty.

A comparison of British Regular Army Establishments

between the years 1914–15 and 1922–3 shows the following total figures:

1914–15	172,797
1922–3	152,836

a reduction in total numbers of about 20,000.

Against this we must note the establishment of the Royal Air Force, as an addition to the British Fleet and Army of pre-war days. Early in the year 1922 the strength of this force stood at 31½ squadrons, of which 6 were in India, 8 in 'Iraq, 3 in Egypt, 1 in Palestine, 1½ in the Mediterranean co-operating with the Navy, and 12 in the United Kingdom. There are 12 aeroplanes in a British air-squadron. The Royal Air Force is now being largely increased to satisfy the conditions of home defence; the exact extent of the increase has not been finally determined, but the principle of a One-Power Standard has been accepted, the Power in question being France. In the air, as at sea, it has been maintained that combatant forces must be based upon a commercial service, and that Great Britain is being outdistanced by other nations in the development of her commercial air services.

These figures for the British Navy, Army, and Air Force are of some value as indicating the extent to which resources for early action in the cause of Empire Defence have been reduced; but in such matters statistics, to be of value, must be relative. Security depends not upon absolute strength, but upon relative strength in comparison with prospective enemies, upon the geographical distribution of interests to be defended, and of the forces against which provision must be made. A treatise on British Empire Defence dealing comprehensively and in detail with all these subjects would fill a very large volume.

To conclude: the word "defence" has here been used so constantly that, lest the point should be lost sight of, it will be as well to repeat, as a final conclusion, that defence, to be successful, implies the power of counter-attack, which again implies concentrations of force which can be achieved only by the aid of adequate sea-power.

SECTION III . . THE STORY OF BRITISH ECONOMIC DEVELOPMENT

THE STORY OF BRITISH ECONOMIC DEVELOPMENT

INTRODUCTORY

THERE is no better or surer way of understanding the economic position of this country than by studying the process of events which led us from being mainly an agricultural country to being the workshop of the world. Indeed, some knowledge of the history of industrial development is essential before the economic problems with which we are faced to-day can be understood. The present position of Trade Unions in this country, for example, and the attitude of Labour to Capital, are quite incomprehensible until the whole story of the relations between employer and employed has been told. The bitterness which is such an unfortunate feature of the relations now existing between capital and labour is not a new thing, but largely a legacy from the troubled times of the beginning of the nineteenth century. "We shall gain," said Keynes in *The Scope and Method of Political Economy*, "a clearer insight into the general principles now regulating the distribution of wealth in England if we can follow the process through which our system of distribution has passed." And at no time has such knowledge been more essential than it is now.

I

FROM THE ROMANS TO THE BLACK DEATH (1348)

ALTHOUGH the story of our industry and commerce really begins with the coming of the Normans, we owe not a little of our industrial inheritance to their predecessors. Of pre-Roman England we know little. From Cæsar's commentaries and from similar writings we learn that the inhabitants had some skill in weaving and dyeing, that they loved bright colours, and that they used iron imported from Gaul. They also seem to have worked iron in the Severn Valley, and there had been from early times trade in Cornish alluvial tin. Cæsar's

invasion did little more than pierce the darkness; the real work of conquest was carried out by later rulers. Pacification and consolidation were effected by Agricola at the end of the first century after Christ, and with the Pax Romana there came considerable economic development. Agriculture flourished, towns sprang up and became linked together by straight solid roads—almost the only lasting legacy of the Romans.

The fourth century heard Theodoric the Goth thundering on the walls of Rome, and the outposts of the Empire were called in to protect the capital. Although Roman Britain was being harassed from the North by Picts and Scots, about A.D. 400 the Roman legions were withdrawn and the inhabitants left to defend themselves as best they could. The Britons, enervated by three centuries of peace under Roman rule, and unable to cope with their enemies, tried the Roman method of hiring foreigners. They summoned to their aid Saxons from Eastern Europe, who, having driven back the Scots, turned on their employers and conquered the country. The struggle was a hard one, but the Britons were steadily driven west of the Pennines, into the fastnesses of Wales and into Devon and Cornwall. The Saxons were an agricultural people who hated town life. Commerce was therefore brought to a standstill, the towns practically disappeared and the civilisation built up by the Romans was destroyed. The spirit of enterprise which we lost under the Saxons returned with the Danes, who in the ninth century overran great parts of England. These Northmen were of a daring and adventurous stock. Kinsmen of theirs had forced their way as far west as America and as far south as the Mediterranean, and were to be found all along the trade routes of the early Middle Ages. After the Danes came to Britain commerce revived, towns began to flourish, and England again came into regular communication with the Continent. On the whole, however, conditions were adverse to trade. The country was sparsely populated and unsettled, robbers on land and pirates by sea made life and property insecure; communications were bad, and fighting was continuous. We know very little of the manners and customs of the Saxons and the Danes, but their rural organisation is worthy of notice, for we find in Saxon England open field villages little different from the later manorial villages of the Normans. The *thegn*, the *geneat*, the *gebur*, and the *cottar* were the forerunners of the manorial lord, the freeman, the *villein*, and the cottar of the Norman village, and their lives were in essentials similar.

In 1066 William the Norman was crowned King of England. He held that he came as lawful successor to Edward the Confessor, and not as a conqueror; but in fact the coming of the Normans was a conquest, for the great Domesday survey shows that by 1086 the English nobility had almost entirely disappeared, and their place had been taken by Normans, who, displacing the thegns as landowners, were exploiting the native inhabitants. This survey was undertaken to ascertain the taxable value of the land, and the typical Norman thoroughness with which it was compiled has made it our main authority for the condition of England at the end of the 11th century. It shows that England was at that time an agricultural country. There were a few manufactures, but they were almost entirely for home consumption. Consequently there was little export trade, and that mainly in raw materials of which wool was the most important; and the import trade was chiefly in a few luxury articles for the use of the richer inhabitants. But the coming of the Normans opened new channels, for the Norman kings were lords of part of France and were connected by marriage with important continental countries. In the century following, too, the Crusades were to bring England again into touch with the commerce of the Mediterranean.

England continued to be almost entirely agricultural down to the fourteenth century. "To understand the life of rural England during this period," says Sir William Ashley, "is to understand nine-tenths of its economic activity." But country life then was vastly different from what it is now. We take for granted, nowadays, scattered farm-houses, with the hedged fields of the farm grouped round them. We assume landlords, tenant-farmers, and a large mass of landless wage-earning agricultural labourers. We are accustomed to village shops, stocked with the produce of the world, and to frequent and easy communication between the village and the world outside it. The eleventh-century village was totally different. Outside the towns, of which about eighty are recorded in the Domesday Book, England was divided up into more or less isolated village areas called manors. The lord of the manor held his land either directly from the King, or through some intermediate nobleman or religious body, and had valuable rights over the villagers, his tenants, who worked for him in return for the land they held. The villagers were unfree, not in the sense that they were slaves, but in the sense that they owed labour dues, were under the lord's authority, could not

marry, sell oxen, or leave the manor without the lord's consent and without payment to the lord of certain fines. The whole system depended on this body of unfree labour, which accounts for the stress laid on labour in the Domesday Book, and also for the heavy fines imposed on villagers who left an estate.

The manor usually consisted of an open field village. On either side of the road were clustered the huts of the villagers, each surrounded by its little close or yard, the only buildings of any size being the church and the manor house. Stretching away from the huts was the arable land, not as now divided into innumerable hedged fields, but consisting of two or more, usually three, great open areas roughly hurdled off to prevent the cattle straying over them. One of these great fields would be under wheat or rye, another under barley or oats, while the third would lie fallow. Each of the fields was divided into areas some 220 yards wide and as long as the nature of the ground would allow, known as *shots* or furlongs. These shots were further sub-divided into narrow strips 220 yards in length, by 11 or 22 yards wide, making areas of half an acre or an acre. The boundaries between the strips were simply unploughed weed-ridden baulks of land. These acre or half-acre strips were distributed between the lord of the manor and his villagers according to status, and no man possessed adjoining strips. In addition to this arable land there was also pasture and meadow land for the live stock, the number of animals that each inhabitant might turn out being again regulated by custom and status, and lastly there were the waste and the woodland used for feeding pigs and for providing firewood.

The inhabitants of these manorial villages were divided into very distinct classes, the amount of land held by each inhabitant depending mainly on the class to which he belonged. The lord's share of the land—the *demesne* as it was called—would consist of strips in the three great fields, rights over pasture and waste, and frequently an enclosed area near the manor house. The villeins, who were the backbone of the estate, held as a rule some thirty acres of arable strips with corresponding rights on the pasture and common land, and in return they rendered regular " week " work, two or three days' work each week throughout the year, and also " boon " or special work at such times as sowing or harvest. They had also to perform miscellaneous duties, such as carting, and frequently they had to render some payment in money or in kind, or in both. Next in importance to the villeins came the

cottars, who held about five acres in the common fields with proportionate rights over meadows and waste. In some parts of the country, especially in the west, were found a few slaves, while in the east there were villagers who were free of the more onerous burdens of villeinage and were called *socmen* or freemen.

The land was worked by the combined labour of the villagers, supervised by the lord's bailiff, whose main duty was to see that payment in service or in kind due to the lord was properly rendered. If the manorial lord owned a number of manors, the bailiff would see to storing the produce of the demesne till the lord and his retinue came to consume it. For in mediæval England the food did not go to the lord, but the lord came to the food. From our modern point of view, one of the most striking features of the manorial village is that it aimed at being self-sufficing. The inhabitants sowed and reaped simply to supply their own wants. There were no exports and no imports except salt, tar, and the little iron required for implements. There was no thought in the manor of sending the produce away for sale, for the day of commercial agriculture had not yet dawned for England. On the open fields the villagers performed their tasks according to the methods handed down by custom; improvement was impossible without common agreement, which would obviously be difficult to obtain. The system was therefore a stubborn barrier to progress. It was wasteful, too, wasteful because of land left between the strips, wasteful of time lost in passing from one strip to another of the scattered holding. Crops must have been poor and weed-ridden, and the standard of the cattle in the common pasture that of the least healthy specimens.

But although the custom-ruled manorial village seemed impervious to progress, even before the fourteenth century tendencies to change began to show themselves. The commutation of certain of the labour dues for a money payment or a payment in kind became not infrequent. The enclosure of land by the lord increased markedly, while at times the lord would let on lease part or even the whole of his demesne. Commutation made steady progress up to the fourteenth century because the lords wanted money for luxuries or for military expenditure, and it is this spread of commutation that accounts for the increase of free tenants after the Conquest. It is worthy of note that the growth of commutation indicates the existence of a class of labourer who could be hired. These men were

sometimes cottars, sometimes freed slaves, and sometimes the surplus of the villein's household. With regard to enclosing, we have seen that land round about the manor house would occasionally be enclosed by the lord for his private use. In addition, however, parts of the waste would from time to time be enclosed for use by the villagers. These enclosures were nearly always let on a money rental, they were not subject to labour obligations, and probably went to meet the needs of the surplus population which was forming itself into a new class, the village artisan. Enclosing of land is closely connected with the third change that was taking place, namely, the leasing of land. In addition to leasing of the enclosed plots, of which we have just spoken, it sometimes happened that a lord, to avoid the burden of working a distant manor, would lease it for a period of years to a tenant who would expect to make a profit from his occupancy. These tenants were sometimes the bailiffs themselves, but cases are known where the land was leased to the body of villagers as a whole.

Town life in the early Middle Ages is more difficult to describe than country life, because there is no single type like the manorial village, and because the towns were not so regular in their development as were the villages. Most towns, however, passed at some time or other through certain fairly well defined stages. In the first, the towns were little more than big villages, the occupation of the inhabitants being mainly agriculture. There would be a greater amount of trade than in the usual manorial village, and a small body of workers specialising in handicrafts would have sprung up. The inhabitants would, however, still be under the power of a manorial lord. The transition to the next stage is part of the struggle to get free from the power of the lord. The inhabitants grow rich enough to buy out the lord's rights and to obtain a charter of self-government. To pay their annual fees to the lord they look to taxes on trading, and in the young borough the regulation of trade and handicraft comes under the control of the *gild*[1] merchant. Gradually, however, this single institution becomes quite unable to control effectively the varied and sturdy industries that spring up with town expansion; and in the third stage, control of all the trade and industry of the township by a gild merchant gives way to control of each trade and handicraft by its own local governing body or craft gild, and the municipality acts as a kind of link between the gilds, exercising a vague but acknowledged con-

[1] Now of course written "Guild."

trol over them. The gild system created an intense and active municipal life. Development, however, was local. Trade was not national, but local and inter-municipal, and as long as it remained so the gilds flourished; but in the fifteenth and sixteenth centuries industry could no longer be confined to the towns. The intense civic life gives way to a growing national consciousness, and town regulation gives way to national control.

By the fourteenth century most of the towns in England had reached the second stage, and some had passed beyond it. The difficulty of transition to the gild stage was facilitated by the growing need of the lords for ready money to finance their military operations, while the townsmen were eager to come to terms and to get away from manorial restrictions. Town charters were either bought outright or by an annual payment, and included in the rights granted by the charter was, in most cases, the right to have a gild merchant. The aim of the gild merchant was not to secure a great volume of trade, but to regulate the trade of the town and to protect producer and consumer alike. It tried by close regulation to maintain the standard of goods sold and to ensure that the price paid should be fair and just. It endeavoured to keep the benefits of trade for its own members, the freemen of the town; foreigners—that is, persons who belonged to other towns—were kept under careful supervision in case they should get too large a share of the trade. Members of the gild were expected to help one another and to share their bargains with their fellow-members. Membership of the gild served as an introduction in other towns, and debts were sued for through the gilds. There were also rules providing for the assistance of sick gildsmen and for common worship and feasting. Membership of the gild was not necessarily the same thing as citizenship. A man might be a free citizen, and not a member of the gild, and on the other hand foreigners, burgesses of other towns, lords of the manor, churchmen, and even women were sometimes members of gilds. Usually, however, the relationship between membership of the gild and citizenship was very close, and frequently the two were indistinguishable. It is important to note that the merchant gilds included traders and craftsmen on an equal footing—indeed the majority of the members would in themselves combine both functions, for except in London there would be few if any shops—goods would be made to demand and not in anticipation of demand. As time went on, however, and the towns grew, and the market

expanded, there would be increased division of labour, and consequently the gild would include an ever-increasing number of specialised craftsmen. This increase led to the next development, for in the thirteenth and fourteenth centuries we find a new type of gild springing up in all English towns of any size. These new gilds were associations of craftsmen in a particular industry for purposes somewhat similar to those of the gild merchant, but their sphere, instead of being the whole trade of the town, was confined to the affairs of the craft itself. There is considerable controversy as to the origin of these craft gilds as they are called, but for our broad survey it is sufficient to note that they arose because the organisation of the gild merchant was unable to control effectively the growing industry and trade of the town, and therefore organisations somewhat similar in type arose to control and keep up the standard of each craft of any size. The merchant gild gradually disappeared or became indistinguishable from the municipal authority. The relation of the new craft gild to the municipal authority is none too clear. At first there are traces of struggles between them, but in the end the crafts came to acknowledge the authority of the municipality—which had to give its sanction to gild laws before these became effective.

The internal organisation of the crafts gilds was similar to that of the merchant gilds. The officers of the crafts gilds, wardens and others, were elected annually at the full general meetings of craftsmen. The rules aimed at prevention of fraud, ensuring fair dealing and a just price, and at governing the social and religious lives of the craftsmen. No one could be admitted to the craft unless approved by the officers, and admission seems, as a rule, to have taken place at the same time as the grant of the freedom of the town. It should be noted that these mediæval craftsmen do not correspond to the modern wage-earner, for they were independent producers who produced their own wares and sold them directly to the consumer, and usually to his order. Working with the craftsmen were sometimes apprentices and journeymen. By the fourteenth century apprenticeship was becoming obligatory before a man could set up as a craftsman, and each apprentice definitely looked forward to becoming a craftsman at the end of his apprenticeship period. Quite early, the apprenticeship period seems to have been recognised as seven years. Sometimes before actually setting up for themselves, the apprentices remained for a few years with the craftsman as journeymen.

These journeymen are the nearest approach to the modern wage-earner, but whereas the modern wage-earner has very little opportunity of setting up for himself, the mediæval journeyman would always regard this stage of his career as essentially temporary. The mediæval crafts gilds are fundamentally different in aim and outlook from modern trade unions, and analogies between them are apt to be thoroughly misleading unless their essential differences are borne in mind.

The appearance of the craftsman working to the order of a customer indicates an important change in industrial organisation. In the earlier days of town life, such things as were produced in the household were to be used by the household. That is, the family was more or less self-sufficing. The existence of specialised craftsmen, however, implies that the goods produced are to be used by somebody outside the family. The craftsman is producing to meet some demand. There has been a change, therefore, from what Ashley calls the family system of production to the artisan, or as it is sometimes called, the gild system of production. What the craftsman produces is regulated by the market, which therefore becomes the dominating factor in the development of English industry and commerce and the key to all changes in organisation.

II

THE MIDDLE AGES

Returning to rural life, we saw that certain changes were beginning to make themselves felt in the twelfth and thirteenth centuries, that labour dues were being commuted for money payment, that land was being enclosed, and that land was being leased. Because of the inherent powers of resistance of the open field system, progress would have been slow had not a great national calamity afforded unexpected opportunities for change. The Black Death which reached England in the autumn of 1348 wiped out in a few weeks over half the population. In some districts, hardly a soul was left. Over the country, as a whole, between three and four millions perished. This sudden reduction in the supply of labour, while the amount of land to be cultivated remained the same, gave a tremendous shock to the manorial system. Fields were left uncultivated, whole areas were tenantless, consequently the labourers, especially those who were now being hired, were able to put

pressure on their masters. According to mediæval opinion, scarcity of labour was no justification for a rise in wages. There was no reason why scarcity should mean that labour on one estate should get higher wages than labour on another estate. The labourer was entitled to reasonable, that is fair and just, wages; to try to obtain anything more was to take advantage of a great calamity, was to extort from the landowners something that was unreasonable, unfair, and unjust. Consequently, in view of the fact that labourers in different parts of the country were successfully putting pressure on their masters, there was an attempt on the part of the Government to prevent both the price of labour and the price of food from rising; but that the attempt failed can be gathered from the number of times that similar attempts were made in subsequent years and by the increasing severity of the penalties for the non-observance and evasion of these laws which dealt with labourers in the towns as well as with labourers in the country—for saddlers, skinners, carpenters, shoemakers, and tailors were included with the workers on the fields. These attempts failed, as indeed they were bound to, and the payment for labour came to be regulated, not as in the past, by custom, but by competition. There was a sharp rise in wages, which remained more or less permanent, and although the price of corn also increased, it did not do so to the same extent as wages, so that the condition of the labourers who remained on the land improved after the Black Death.

The shortage of labour tended to upset the old organisation of the manor; lords farming demesne lands, and also the wealthier villeins, found themselves in great difficulties. Where the demesne had been worked by labour dues, the bailiff found that while the work to be done remained the same, there were fewer tenants to do it. It was difficult, therefore, to prevent terms being made easier. Where labour services had been commuted for a money payment, less money was coming in, while higher wages had to be paid. Where the land had been leased, the lord frequently found himself, owing to the death of his tenant, with the land again on his hands, and with little opportunity of getting somebody else to take it up. Wherever he could, the lord would be glad to throw his burden on to other shoulders, and thus, following upon the Black Death, management by a bailiff began to be replaced more and more by a leasehold system. It was the line of least resistance. At first the land was leased along with the stock on it, but after half a century or so the characteristic English system

began to make its appearance under which the landlord leases the land and the permanent buildings, while the tenant owns the stock and is responsible for non-permanent expenditure.

With regard to labour dues, the scarcity of labour and the development of land- and stock-leasing speeded up the tendency to commutation and consequently the disappearance of villeinage. Where land was leased, the new leaseholder would prefer to hire labour as and when he wanted it rather than depend upon unwilling service. The labourers for their part would prefer to work for a wage, and the lord had now no special interest in refusing to commute. But even when the lord worked his own land, the labourers could, after the Black Death, put great pressure upon him to accept commutation, because, although the penalties upon leaving a manorial estate were heavy, the chances of avoiding discovery were great. In many districts, however, the lords attempted to enforce the old services to their full extent; but this only made relations between the lords and their tenants more strained, for, in view of the rise of wages on some estates, the labourers felt bitterly aggrieved when they were expected to render their customary dues. The situation was complicated by disappointment at the ill success of English armies abroad, and by the pressure of war taxation, and resulted in the Peasants' Revolt of 1381. The slogan of this rising was the abolition of villeinage. The revolt was a failure—the subsequent decay of villeinage was not caused by it, but by the steady progress of commutation, leasing and enclosure. "The forces that were undermining it in the thirteenth century were quickened by the Black Death, and gathered strength as time went on. The growing use of land for production for the market involved the spread of more adaptable labour arrangements than those of the manorial system. Sale of product made it easy to pay wages. Lease of the demesne made commutation of labour dues more than ever desirable. Above all, as agriculture was more and more directed deliberately to satisfy demand, the problem of the entrepreneur required the simplification which the wage system permits. It was impossible to continue to define accurately how much and what labour a serf should perform when the land to which he was attached was used according to the three-field system in one generation, turned into a sheep run in the next, and converted it might be to mixed husbandry of a variable character in the third" (Meredith's *Economic History of England*, p. 112).

An important consequence of the Black Death was the change from subsistence agriculture to commercial agriculture—a change, that is, from supplying the needs of the family directly, to supplying a market in anticipation of demand and to supplying the needs of the family indirectly. Before such a change could be effected, the existence of some sort of market was necessary. The growth of town life by the end of the thirteenth century meant an expansion of the market, and when, after the Black Death, land was leased and labour dues were more and more commuted, the market ceased to be a place for the disposal of a more or less accidental surplus. The aim of the cultivator was now to put as much as possible on to the market. Consequently from this time the market dominates agriculture, determining what is to be produced, and becomes the key to its organisation. Its influence has remained the controlling factor in the organisation of English agriculture, and from the fourteenth century every important change in organisation can be explained by it. For example, the increasing demand for wool in the fourteenth, fifteenth, and sixteenth centuries accounts for the enclosure movement which occurred during that period. That enclosure movement died down in the sixteenth century simply because corn-growing became more profitable than rearing sheep for wool. In the eighteenth century the second great enclosure movement is due to the growth of the population and the consequent increasing demand for food-stuffs; and finally the change which is occurring at the present time in the organisation of British agriculture—a transition from large farms producing corn and wheat to smaller farms producing fruits, vegetables, dairy produce, and similar articles—is explained almost entirely by the effect on the market of the arrival of large corn and meat supplies from America and Australia.

The dominance of the market led, after the Black Death, to an enclosure movement which, along with the transition to leasing and to commutation, completed the break-up of the manor. English sheep rearing had long been known both at home and abroad, and sheep runs were not uncommon before the Black Death; but after the Black Death, where villages had been largely depopulated by the plague, and where the adequate enforcement of labour dues was a matter of extreme difficulty, sheep farming would appear to the landowner a most convenient and at the same time profitable method of using the land. And the incentive to enclosing became stronger in the centuries following, for while population, and consequently

the demand for food, increased slowly, the demand for wool increased greatly, mainly owing to the remarkable growth in production of woollen and worsted cloths in this country. For the first hundred years after the Black Death, enclosing for sheep farming on the whole caused little social inconvenience, but by the middle of the fifteenth century enclosures could only be effected by displacing population. This brings us to what is called the first enclosure movement. Enclosure was necessary before sheep-farming could be engaged in, but unfortunately it was frequently carried out without much attention being paid to the rights of the villagers. The result was a great outcry. Remedial legislation made its appearance towards the end of the fifteenth century, but did not go far. In the sixteenth century, however, proclamations and statutes against the more grievous abuses followed one another rapidly, and prohibited the holding of more farms than one, or the enclosing of land for pasture. These Acts were, however, of little avail, and enclosures went on until towards the end of the sixteenth century. A decreasing profitableness in sheep-rearing as compared with corn-growing made enclosures less desirable, and the movement died down. Agriculture was definitely commercial.

Enclosures were not always for sheep-rearing, but were sometimes for convertible husbandry. As compared with the open field system, convertible husbandry involved less labour and was more economical, but as compared with enclosures for sheep-farming it attracted less attention, partly because a smaller area was enclosed for this purpose, and partly because the social misery consequent upon enclosure for convertible husbandry was as nothing compared with the distress consequent upon enclosing for sheep-farming.

Along with these important changes in the organisation of agriculture, another change of some consequence was taking place. The old landowners were dying out and were being replaced by rich townsmen. The profits from the increasing trade of the fifteenth and sixteenth centuries enriched certain families, who endeavoured to give themselves social prestige by becoming landowners. They bought land as opportunity arose and became the resident squires who were for so long one of the most important factors in England's rural life.

The Black Death was at least as destructive in the towns as in the country, indeed probably more so, on account of the narrow streets and the unhealthy dwellings. The direct results were small, but indirectly the effects of the plague had

a profound effect on town life, for the towns presented a special attraction to the discontented and dispossessed villagers, who hoped by moving to them to learn some craft and to gain their freedom by residing in them unclaimed for a year. These newcomers were unable to pay the gild fees, so remained outside gild control, and would frequently try to evade gild regulations. Their coming was therefore a menace to the continuance of the gilds, and undoubtedly helped towards their decay. The break-up of the manors also opened out opportunities of greater intercourse between country and town, and the isolation so characteristic not only of English village, but also of English town life, began rapidly to disappear. The steadily widening market, due partly to the causes just described, and partly to the increased security consequent upon the firmer control of the English Crown, resulted at first in increasing the power and wealth of the gilds, and the fifteenth century marks undoubtedly the heyday of the gild life. But from the middle of the fifteenth century the gilds changed their character and entered on a period of decay, and the towns began to lose much of their peculiar importance in face of a national consciousness which showed itself in economic as well as in political matters. The fundamental reason for the decay of gild organisation was the widening of the market. The continuance of the gild system depended on equality of opportunity for the craftsman, but when markets widened chances were no longer equal. It was worth a man's while, for example, to specialise in trading, and control naturally passed into the hands of these traders. The craftsmen now became dependent, and the character of the gilds changed. Entrance into the craft was restricted in the interests of a few and within the craft power passed into the hands of the richer craftsmen. These changes did not take place unobserved; a great outcry was raised against the autocratic actions of the gilds and against their new exclusiveness of spirit, but nothing could stop the decline of the gilds, for the changes were merely expressions of much deeper economic development. The whole foundation and structure of industry was changing. The decay of the gilds marks the emergence of the capitalist, at this time the trader on whom the craftsmen became dependent, who set the craftsmen their task, and who pays them for the work done. With these changes there naturally came a cleavage between the wealthy trading oligarchy and the dependent class composed partly of wage-earners, but mainly of small masters. In face of the growing exclusiveness of the gilds,

these small men at times formed gilds of their own, journeymen or yeomen gilds, which bear a certain resemblance to the modern Trade Unions, but are essentially different, because the members of these gilds were small masters and not members of a permanent wage-earning class.

The changes in the gilds and the cramping effects of their new restrictive policy tended to break down still further the demarcation between town and country. Craftsmen could be free of the gild regulations if they worked outside the town, and outside the town there were plenty of people anxious to find work in town occupations. Industry leaves the town therefore and sets itself up in the country, uncontrolled and untrammelled. The ordered life of the Middle Ages disappears. Life in the country had been controlled by the manor, and industry in the town had been policed and controlled by the gilds, but now both these controlling forces were no longer able to perform their functions. They declined, and their place was taken more and more by the centralised control of the Crown, which had become increasingly powerful and had to an increasing extent been interfering in the economic life of the people.

The staple industry of England during this period and indeed to the end of the eighteenth century was wool. For a long time only very rough cloths were produced in this country, but England exported a great deal of wool to the continent of Europe. In the fourteenth century, however, a profound change took place in the woollen industry, chiefly owing to the immigration of foreign artisans skilled in the manufacture of fine woollen cloths, who came over and settled in this country, and taught the secrets of their craft to Englishmen. As a result of this, England changed from being mainly a wool-producing country and became a wool-manufacturing country. At the beginning of the thirteenth century very few pieces of woollen cloth were exported, but by the end of the fourteenth century this country was exporting a very large amount of woollen cloth and had become the chief wool-manufacturing country in Europe. In the sixteenth century the manufacture of woollen cloth had become the " chief pillar to our merchant princes' revenue, the life of our merchants, the living of our clothiers." The great merchant princes of England were nearly all connected with the woollen industry. The woollen industry was the first to break away from the gild system and to become established on a domestic basis—and with the widening market a considerable degree of localisa-

tion became possible. The worsted[1] industry settled round Norwich, while other places like Coventry and Bristol became noted for their special products. It is in this industry that some of the earliest instances of large-scale production can be observed. The famous John Winchcombe of Newbury is said to have had 200 looms in connection with which he employed hundreds of workers, and it is certain that some of the wealthier clothiers tried to acquire some of the abbeys for work-places after the break-up of the monasteries in the time of Henry VIII.

During the gild period trade, both foreign and domestic, was comparatively small. Roads were bad, and inter-communication was difficult and hazardous. The inhabitants of the towns traded mainly in their local markets, which were held on fixed days once or twice a week. The possession of the right to hold market was of great value, for it was a source of income because of the taxes which were levied on the business done. Besides the local markets there were the great occasional fairs like that held at Winchester, to which dealers came from all over the country and even from abroad.

Foreign trade expanded very slowly, for England was behind Western Europe, both commercially and industrially, and for a long time such trade as there was lay in the hands of aliens who came not singly as individuals, but banded together as representatives of gilds of foreign towns, seeking and gaining privileges in common. When they arrived they found themselves faced by gilds, strong exclusive bodies, such as they had been accustomed to in their own towns. These foreigners were not unwelcome, but were always suspected of endeavouring to break into the monopoly of the gildsman. Hence the burgesses endeavoured to hedge them in by stringent regulations; they could buy and sell only to burgesses and only on market days; they could not engage in retail trade, nor could they go inland with their goods, and their duration of stay in the country was definitely limited. The attitude of the burgesses towards foreigners brought them quickly into conflict with the King and the nobility, for the sale of privileges to foreign traders soon became an important source of revenue to the Crown. Moreover the King and his nobility were anxious to encourage and not to discourage foreign traders, for they brought with them articles of luxury and goods of a quality unobtainable at home. There began therefore in the early Middle Ages a struggle which lasted down to the time of the Tudors between

[1] So called from the village of Worstead in Norfolk.

the King on the one hand and the burgesses on the other, regarding the granting of privileges to these aliens. The struggle ended, not because of the victory of either side, but because of the decay of parochialism and the emergence of national consciousness and the organisation of industry and trade on a national basis.

The Crown during the early Middle Ages had interfered comparatively little in the regulation of trade, because, as we have seen, such regulation as was necessary was carried out by the town and the manorial authorities. As long as England remained a country of comparatively isolated, self-sufficing towns and villages, there was little for the central authority to do, but with the breaking down of the barriers between town and country, and with the growing expansion and sub-division of industry and the consequent inability of manorial courts and crafts gilds to maintain effective control, the need for the interference of a central authority became imperative. From the Conquest to the time of the Tudors, therefore, we can trace along with the growing firmness of the central political administration an increasing tendency on the part of the Crown to regulate industry and commerce in the interests of national life. The English Crown had early recognised that it was responsible for affording adequate facilities for trade by the provision of suitable currency, and for the regulation of weights and measures. Excepting only a short interval in the time of Stephen and the two unimportant issues of the Archbishops of Canterbury and York, the English Crown maintained a monopoly of the issue of coinage and abstained from debasing the coins it issued. It was unable, however, on account of the faulty technique of the time to prevent false coins and light coins from passing into circulation, and only made rather spasmodic attempts to have these light coins withdrawn. At first the English coinage was made of silver, as gold was too valuable for the comparatively small bargains made at that time, the silver penny being the coin chiefly used. Silver halfpennies and farthings appeared in the thirteenth century, whilst it was Edward III who issued the first effective gold coinage. The inconvenience of having to pay in pence was got over, so far as accounting was concerned, by the use of "money of account" where twelve pennies made a shilling and twenty shillings a pound. On account of the circulation of light and debased coins, however, payment for goods was usually made by weight and not by number of coins.

As early as the tenth century the English kings tried to

prevent the use of fraudulent weights and measures and to establish some sort of uniformity with regard to the measures to be used for commodities in general circulation. The provision of efficient weights and measures was difficult, because each district used its own standard. Gradually, however, the London standard came to be fairly widely accepted, and efforts were made directly by the Court itself, and indirectly through its itinerant judges, to secure the enforcement of this standard throughout the land. At times, however, the central authorities went further than the mere provision of adequate exchange facilities and attempted to regulate, in the mediæval spirit, trades of special importance. Bread was the first trade to be directly dealt with by the Government, and legislation was aimed not so much at fixing the price as at preventing speculation. Similar regulations were enforced for ale and wine. In addition there were series of general enactments passed with a view to preventing what was called *forestalling*, *engrossing*, or *regrating*. This corresponded roughly to what we call cornering, or any action by which goods might be artificially taken or kept out of the market, so that they might be put on to the market later at a higher price. According to mediæval ideas such action was unfair. The importance of the cloth industry marked it out at an early stage for special treatment in this respect, and woollen cloths, wherever they were made, had to be of the same width, " 2 ells within the lists and of the same goodness in the middle and the sides," and in the twelfth century an *aulnager* was appointed whose duty it was to see that cloth was of proper size and quality. As the woollen industry grew and varied cloths were produced, so the earlier regulations were relaxed, but still cloths had to be so marked that a man might know exactly what he was buying. The mediæval conception of a just price is the guiding principle of most of the administrative measures of the central authority, and this conception owed much of its influence to the teaching of the Church, which in the early Middle Ages was the guardian of fair dealing, the regulations of the gilds and of the Crown showing how deeply the teaching of the Church affected men's daily lives. Trade if carried on for the sake of gain was regarded as unjustifiable, because it led to hardness and unfairness or destroyed the soul. On the other hand, it was considered that there was for every article a just price which should not vary on account of individual skill in bargaining. This fair price was such as would give the seller a reasonable reward for his labour, having in view the status of life in which he had

been born. Mediæval thought was concerned with ensuring by complicated regulations that a just price in this sense should be paid for all articles, and that articles sold should be of just and reasonable quality.

A new attitude with regard to regulation made its appearance with the reign of Edward I, due partly to his consolidation of the national life, and partly to increasing communication between the various parts of the country. England, in short, was beginning to develop a national consciousness. From this reign and onwards the central government goes farther than merely maintaining standards of fairness. Greater protection is given to traders, and more adequate machinery is instituted for the recovery of debts. During the reign of Edward II the influence of the Crown became more marked. Actuated partly by political motives, the Crown brought over from Flanders artisans skilled in the making of woollen cloth and laid the foundations of our great woollen industries. The disorganisation caused by the Black Death forced the Crown to enter on wider spheres of regulation; labour which had previously been controlled by the manor came under national regulation, and the Government tried to regulate both wages and prices. The growth of national life raised special problems for the Government, and in the reign of Richard II the Act of 1381 giving a monopoly of English export trade to English ships, although it proved impracticable, marks the beginnings of a shipping policy and is the forerunner of the later mercantile system.

The reign of Elizabeth is a landmark in the growing control of the central government over industry. Her reign did not see many new departures from existing practice, but certain outstanding enactments and the efficiency of her administration make the period most noteworthy. The enactments of the reign of Elizabeth were chiefly the work of her great minister, Lord Burleigh, under whose influence the Privy Council took a new and most important part in the regulation of the life of the country. Burleigh from the first turned his attention to the encouragement of shipping. It was constantly in his mind, and he helped it in every possible direction. It was ordered, for example, that on certain days in the week everyone should eat fish. This was no religious enactment, but a definite attempt to encourage the fishing industry so as to secure a plentiful supply of hardy seamen. Direct encouragement was given to ship-builders, and special measures were enacted to secure adequate cultivation of flax, hemp,

timber, and all other naval requisites. Burleigh also endeavoured to encourage industry by the granting of monopolies and patents. These were specially given in the case of articles like sulphur and saltpetre, which were required for national defence, but the method was also used to attract and acclimatise other new industries. At first little objection seems to have been taken to this policy, but under the Stewarts the system proved itself open to grave abuses, as patents were often granted by the Crown merely for the purpose of raising money. The end of the seventeenth century saw all these patents abolished.

Two of the outstanding statutes of the reign of Elizabeth were the Statute of Artificers and the Elizabethan Poor Law. Both are essentially codifications and mark an endeavour to get into thorough grips with two of the most difficult problems of the period, the supply of labour and pauperism. The Statute of Artificers, 1563, was an attempt to secure regular and suitable employment for Englishmen, to ensure that youths, both in the town and in the country, should be adequately trained. In its regulations regarding wages an attempt was made to secure adequate wages, which were to vary with the type of work and the district in which the work was done. The problem of pauperisation became very acute during the sixteenth century. Before this time it was practically unknown, because the keynote of life in the Middle Ages was that everyone had a settled place in the ordered economic life of Society, and while it was extremely difficult for anyone to rise in the social scale, it was also difficult to fall. People were not then free as they are now either to become millionaires or to starve. Such paupers as existed were the professional beggars which appear in Chaucer's poems and in many mediæval ballads. It was considered a religious duty to give them alms. With the breaking down of the feudal land system in the fourteenth and fifteenth centuries and the emergence of commercial agriculture, the number of the homeless poor increased. In the sixteenth century the increase was rapid because landlords were enclosing the arable land and rearing sheep upon it. Rents were raised, so that many people were turned off their land, while the rearing of sheep required less labour than the cultivation of crops. Retainers were disbanded by Henry VII, while the monasteries, which were among the chief agencies for assisting the poor, were dissolved under Henry VIII. Pauperisation was a very formidable problem by the time of Elizabeth, and efforts were made, unsuccessfully, to organise charity on a national scale. Gradually compulsion was intro-

duced, and the whole system was codified in the Poor Law of 1601, by which poor rates were levied by overseers of the poor who relieved paupers. The act recognised the difference between those who would work if they could find work and those who would not work at all. Those who could not work were to be tended, those who could work and were willing were to be given work, and those who would not work were to be sent to the house of correction. The system was closely supervised by the Privy Council through its administrative courts. On the whole it worked well. The local administra tion of the Statute of Artificers and of the Poor Law wa entrusted to the Justices of the Peace, who by this time had taken the place and position of the old manorial lords. These Justices belonged frequently to new families, who, having made their fortune in trade, settled down to establish themselves in the country. In the reign of Elizabeth they became the centre of parochial life and reflected in the thoroughness and efficiency of their administration the vigorous life of the Elizabethan period.

The reign of Elizabeth also marks the end of the privileged position of foreign traders in England. The Hanseatic League, a combination of traders from the great German towns, was deprived of its special privileges, and its English rivals the Merchant Adventurers were able, largely owing to the encouragement of the Crown, to obtain for themselves a privileged footing in the Hansa towns. This was an important step forward for English trade, because the Hansa towns were the distributors for most of Northern Europe. The Merchant Adventurers were a monopolistic company, as all companies trading with foreign countries in those days had to be. They dealt mainly in cloth, and played a most important part in laying the foundations of our foreign trade.

III

THE SEVENTEENTH AND EIGHTEENTH CENTURIES

During the period from the death of Elizabeth to the middle of the eighteenth century there is little advance in industry, for although we built up a great colonial Empire, markets, on account of inadequate means of communication, did not expand. Progress was not absent, however. In agriculture the slow growth of population and the growth of the woollen

industry in Europe gave little opportunity for the introduction of new methods. But towards the beginning of the eighteenth century certain striking advances were made by a handful of pioneers. Jethro Tull and Lord Townshend showed what could be done in improving the yield of land by careful selection of seeds, proper treatment of soil, and careful rotation of crops, while Bakewell, turning his attention to sheep and cattle, demonstrated the possibilities of breeding. These improvers had for a long time few followers. Their work, however, marks the appearance of forces which, given adequate stimulus, might be expected to change the whole structure of English agriculture. In the middle of the eighteenth century a large part of England was still open field and waste. Agriculture was backward and terribly inefficient. But people were beginning to see that the old methods were bad and wasteful. The successes of the improvers had been attained on enclosed farms, and could never have been arrived at on the open fields and commons. There was, however, no great stimulus to change as long as the demand for food-stuffs did not increase to any marked extent.

The position was much the same in other industries. There was little advance. The worker still worked at home and was helped by his family, and not yet completely divorced from the soil, but he had become more and more dependent upon the merchant middleman, who supplied him with the raw material he required and disposed of his finished product. Over the country as a whole, industry was organised on this "domestic" system. Occasionally we find the workers gathered into a workshop, but as yet there was little benefit to be derived from such concentration. Industry was therefore still largely unlocalised. The period was, however, not without advance. After the revocation of the Edict of Nantes in 1685 there was another immigration of foreign artisans, and streams of Huguenots poured into this country. Many of them were skilled weavers in silk, and their arrival gave a great impetus to the silk industry, in which we were far behind France. These immigrants also brought with them a knowledge of the manufacture of sail-cloth, tapestry, paper-making, watch and clock making, glass-making, and a number of other industries. Many of them settled down to work under English masters and imparted to their fellow-workmen a great deal of their own skill. In certain industries there was an increasing tendency to use machines in place of hand labour, but in the case of wool this advance was limited by the fact that the market was not

expanding, and by the fact that public opinion was against the use of mechanical methods of production, which would involve the displacement of the labour already employed in the industry.

An important invention which heralded a revolution in industrial methods was introduced in 1733 when Kay invented his flying shuttle for the hand loom. Up to that time the speed of weaving was limited by the time it took the weaver to pass the shuttle from one hand to the other, but with the introduction of mechanical propulsion the speed of the weaver was more than doubled. This meant that the spinners were no longer able to keep up with the weavers; it turned men's minds to the problem of how again to adjust the equilibrium and gave the impetus to the flow of wonderful inventions and improvements in the technique of the textile industries which changed their whole organisation and led to the appearance of the factory system.

The textile industries other than wool remained more or less stationary throughout the period. In England the tendency was to encourage as far as possible the woollen industry and discourage other textiles. This is seen for example in the Act of Charles II, ordering that people should be buried in woollen cloth instead of the linen cloth which had previously been used. In Scotland on the other hand, where linen was an important product, it was enacted that people should be buried in linen cloth and not in woollen. The cotton industry was early recognised as a dangerous competitor to wool, but for a long time no pure cotton was produced, for English cotton spinners were unable to produce a thread sufficiently strong to act as warp.

The same state of equilibrium is seen in mining and metallurgy. The output of coal is said to have doubled itself in the first half of the eighteenth century, but there could be little improvement in mining until proper machinery was invented to keep the mines clear of water, and the development of the metal industry depended on mining. Want of timber had been a serious check on the production of iron, and although Sturtevant in 1612, and Dudley in 1640, had arrived at means of smelting iron by coal, nothing commercially effective was done until the first half of the eighteenth century, when the Darbeys of Coalbrookdale experimented successfully with the use of coal in the form of coke.

On account of the equilibrium in industry there was little expansion in foreign trade, which continued largely in the

hands of merchant companies having more or less exclusive privileges of trade in certain regions. These merchant companies were of two types—the regulated company of which any trader might be a member, provided he paid its fees and adhered to its rules, and the joint stock companies. The members in the first case traded independently and did not pool their capital. In the second type, the joint stock companies, the members joined their capital and divided among themselves the profits of the enterprise. This type of organisation was necessary where voyages were long and attended by risk, and where it was essential to equip adequate buildings and maintain a staff in distant countries. The best known of the regulated companies are the Muscovy Company and the Turkey Company, and of the joint stock companies the East India Company and the Hudson's Bay Company. The regulated companies tended to become exclusive, and complaints are frequently made against them on this ground, but by the second half of the eighteenth century they fell into relative unimportance. Some of the joint stock enterprises lasted much longer and, like the East India Company, played an important part in our political as well as our economic development.

There was, however, one event of outstanding importance in the period we are discussing. While banking had developed at an early date on the Continent, no banks appeared in this country until late in the seventeenth century. Up to that time people were in the habit of keeping money either in their own coffers or in the Tower of London. The seizure of bullion from the Tower by Charles I made people look elsewhere for strong-rooms. The goldsmiths then became the guardians of considerable sums which they were in the habit of lending at interest, retaining sufficient to meet probable calls upon them. The profits they earned in this way, while not large, were sufficient to attract attention and point to the advantages of banking business. In 1694 the Government were in need of £1,200,000 to balance the year's expenditure, and to secure the money they granted a charter to the subscribers to form a company calling itself the Bank of England. In return, besides an annual payment of £100,000 in interest, the Bank was authorised to issue notes and to receive deposits and discount bills. The venture was successful, and the Bank of England rendered great service to the Government and took over the management of the national debt in 1751. The privileges granted to the new Bank gave it for a time the monopoly of joint stock banking in England and threw into private hands a great deal of the expansion

of banking business which accompanied the industrial revolution of the eighteenth century. The circumstances of the founding of the Bank of England and its close connections with the Government are the reason for the peculiar development of banking practice in this country.

Under the first two Stewarts government regulation of economic activities was at its height in this country. Almost every side of the working life of people was subjected to some kind of interference from the Government. The wages which employers were allowed to pay and workers allowed to receive were assessed in each locality by the Justices of the Peace, who were themselves strictly supervised by the administrative courts acting under the orders of the Sovereign and his immediate advisers. In each kind of trade, employers could only employ people with certain qualifications, workers were only permitted to work in callings for which they had been trained, and children could only be trained for a calling if they satisfied some requirement or other of the law. Movement from one place to another was difficult, because paupers were only to be relieved by the parish in which they were born or where they were domiciled, and a parish could, and often did, refuse entrance to a stranger because once that stranger became domiciled in the parish he might become a burden upon it. The solicitude of the Government for the people's food led to all kinds of interferences in dealings in corn. Only a very few individuals perceived that the universal rise in prices was inevitable because of the huge inflow of bullion from South America, the ordinary opinion being that "unfair" profits were being made by dealers who "cornered" corn in the small local markets of the time. Consequently trade in corn was interfered with on all sides by the Privy Council, not always to the advantage of the consumer, though the intention was to look after his interests. Land in some places went out of cultivation, and in many cases hardship followed the prohibition of the export of corn, because people had to go short of the supplies which had been received in payment for the corn.

A great deal of this Government paternalism disappeared during and after the Civil War. One cause of the quarrels between the first two Stewarts and their Parliament was the question of monopolies. Many of these monopolies were intolerable to the traders of the time, because vested interests were sacrificed for the advantage of courtiers. The power of the Crown to grant monopolies was curtailed in the reign of

Charles I, and most of the monopolies were finally destroyed during the Civil War.

The paternal system really broke down in the first place because the Administrative courts were abolished by the Roundheads, and it did not revive again because opinion on economic matters was changing and people were adopting a kind of tentative individualism. After the period of the Commonwealth, the administration of the Poor Law was no longer supervised by courts responsible to the central authority; each parish was allowed to execute the statute in its own way, and there were in effect almost as many Poor Laws in this country as there were parishes. The control exercised by the Government through the Statute of Artificers was also weakened considerably by the Civil War. Such a dislocation would naturally interfere with any system of regulation, and in this case it coincided with other influences, the growth of trade and the change in public opinion, which were undermining the system. After the Restoration, therefore, the system slowly loses its importance, though it lingered on in many towns because it was to the interest of craftsmen to ensure that unqualified persons should not compete with them, and also to the interest of employers to fix maximum wages.

Our overseas trade, however, was still regulated by the Government, though the control was now in the hands of Parliament and not the Crown. The corn trade was still a subject of solicitude, but the policy was changed. Instead of caring for the consumer, legislators now began to look after the producer. Various Acts were passed after 1660, at first to permit the export of corn, and later to encourage it. By this means people thought the production of corn would be stimulated, land would be kept under the plough, and the home consumer would benefit by obtaining steady supplies. If the price was abnormally high, export was prohibited, while if it was abnormally low, a subsidy was paid on each bushel exported. The effect was thus not to make corn cheap, but to make its price steady. This policy was retained till the end of the Napoleonic Wars, when it was elaborated, and the actual result was that corn in 1750 was only half as dear as it had been in 1650.

The Government's regulation of our overseas trade was mainly carried out through the interference with shipping. During the reign of Elizabeth the policy of endeavouring to restrict the carrying trade of Great Britain to British ships and sailors was not consistently pursued. In fact, there are traces of a reversal of policy, but under the Stewarts we find

a recrudescence of the older policy. In the reign of Charles I there are whole series of orders and proclamations prohibiting the use of foreign ships in the trade between England and her colonies.

The colonial expansion of this country in the seventeenth century is the most important fact in its history during that period. Between 1600, when the colonies were merely in the stage of tentative experimentation, and 1688, twelve colonies were firmly established on the mainland and there were several flourishing island colonies. Islands in those days were thought more important than mainlands, because of the difficulties of inland transport. The mainland colonies were all on the coast and colonists only went inland when they thought they would succeed in obtaining bullion, as in the Spanish colonies of South America. The English colonies were at first administered as purely commercial undertakings, but under Charles I they became part of " our Royal Empire " and the Crown provided for their government. They were, however, regarded as estates which should be supplementary to, and should be managed purely for the benefit of, the mother-country. The trade between England and the colonies was to be in the hands of English and colonial merchants, and this enactment formed one part of the Government's control of trade. The first two Stewarts attempted to secure this, but the idea was not successfully carried out until the time of the Commonwealth. From then onwards the trade and industries of the Colonies were strictly regulated by the English Government, and this system was dovetailed into an elaborate scheme of regulations for the trade of this country. No goods were to come into England except in ships owned and managed by Englishmen, or in ships of the country of origin of the goods. The coasting trade of England was to be entirely in the hands of Englishmen. The trade between England and the Colonies was restricted to English ships and men, and certain goods manufactured in the Colonies were not to be exported to foreign countries without coming first to England. In this way a great blow was struck at the Dutch, who had been the chief carriers of the world, and whose prosperity was built up on their carrying trade.

IV

THE DEVELOPMENT OF AGRICULTURE

TOWARDS the end of the eighteenth century changes of far-reaching importance took place in the structure of English industry. We have seen that up to the middle of the eighteenth century industry was organised on a domestic basis. The producer worked at home, and was helped by the members of his family. The old direct connection between the producer and the consumer had disappeared, and between them stood a middleman who in fact controlled the producer. But seventy years later the predominant feature of our industrial organisation was not the domestic unit, but the factory, and England had changed from being a country largely supplying its own wants and doing comparatively little foreign trade to a country which was fast becoming the workshop of the world. The change which took place in those seventy years, the industrial revolution as it is sometimes called, was not the result of new forces, but was the result of an increased momentum of forces which had been slowly maturing for years. Nor did the revolution end with the first quarter of the nineteenth century, for industry has gone on changing in technique and in structure since that time at an ever-increasing rate. But we have become so accustomed to change that rapid changes seem slow and we are able to some extent to understand and control the forces at work. In the eighteenth century men's minds were not prepared for the rapid transition, and they were swept along by forces they were unable to understand and to master. Consequently changes which seem to us comparatively slow were to them revolutionary in character and in effect. And so it has come about that when we speak of industrial revolution our minds go naturally back to the end of the eighteenth century, when certain important changes in industrial technique profoundly changed the structure of industry in town and country alike.

We have seen that in the beginning of the eighteenth century a handful of improvers like Tull, Townshend, and Bakewell showed what could be done by scientific methods of agriculture. But their followers were few and progress was slow. Towards the end of the eighteenth century one-third of the arable land had been enclosed; it was frequently let on tenures of such short duration, six months or a year, as to be a complete obstacle to improvement. But the increase of popula-

tion was beginning to put pressure on the food supplies of the country and give the required stimulus. Change of methods was necessary and profitable because of increasing demand. The improvers had pointed out the way: what was needed was the diffusion of knowledge. In this, the work of Arthur Young is of fundamental importance. He was a townsman who had failed as a practical farmer, but was nevertheless a brilliant writer and critic of agricultural methods. His famous tours took him over England, Ireland, and France, and he was dismayed at the backwardness of our agricultural methods, but he felt that no alteration could come about without profound changes in our land system. He set himself therefore to try to bring about changes and to spread agricultural knowledge throughout the Kingdom. It was clear that the new agriculture could be efficiently carried out only on enclosed farms and by men who possessed large capital and had the security of a long lease. Under the pressure of a swiftly increasing population, enclosing went on rapidly, though not without much harshness and exploitation of the smaller land-holders. The change was, however, of lasting benefit to British agriculture as a whole. The new improvements in agriculture were impossible of application on the old open fields, and the small farmers, even where they farmed enclosed areas, were too poor, too ignorant, and too prejudiced to try experiments.

There were two main results of this enclosure movement. First, the substitution of large tenant farmers for the small tenants, the old copyholders and freeholders; and second, the reduction of the agricultural labourer to complete dependence on wages. The reason for the tendency to large farms was that the new methods of agriculture could most economically be carried out on farms of a large size, and because the products in demand at the time were corn and meat, for both of which a large-scale unit is the most economical. Consequently, as long as the nature of the demand remained unaltered, the tendency to large-scale production in agriculture might be expected to continue. English agriculture thus developed on those lines for which it became famous. Large farms took the place of small farms and of the open fields. Large farmers with a fairly large amount of capital rented their farms from the large landowners, and under the farmers there worked a wage-earning agricultural population utterly divorced from the land. For the enclosure movement took away from the agricultural labourer those small pieces of arable land and of common which had been an important source of supplementary

income to him, and left him dependent for his livelihood upon wages. It so happened, too, that just at the time English agriculture was undergoing this change in structure, the woollen industry which had been so important in the country districts left the country and became localised in one or two small and well-defined areas. The dependence of the labourer on the large farmer was complete.

Agriculture developed rapidly till the end of the Napoleonic wars, when there came a period of grave depression. But the demand for corn and meat grew with the growth of the towns, and agriculture continued, in good times and in bad, to develop on the lines of large farms and to improve in technique, till in the late sixties British agriculture was the envy of the world. It was a golden age. First the canals and then the railways had linked together the towns and the farms till there seemed no end to the demand of these ever-growing towns and nothing to dim the bright future of British agriculture. Shipping had also developed greatly; trade had come, but with no bad results to agriculture, because British farmers had, it was thought, the great protection of distance.

In the seventies, however, there was a great change—agriculture as well as industry in general entered upon a period of great depression. The price of corn fell, and continued to fall in spite of shortage of crops through bad seasons. The reason was that the home demand for corn was now being met not only from home sources, but also from sources abroad. The advance in agriculture from the end of the eighteenth century had been due in a large measure to the increasing improvements in means of communication, which brought the farm closer and closer to the town, for improvement in means of communication means annihilation of distance. In the seventies, however, the developments in communication, which had helped to make British agriculture so successful, began to turn the scales against it, for it then became possible to transport quickly and in great bulk the products of the immense corn-growing districts of America to this country, and foreign corn could now be put on to the home market at a rate cheaper than would pay English farmers, burdened as they were by high costs of cultivation. The price of corn fell steadily and ruin stared our farmers in the face, but worse was yet to come; for in the eighties, not only was the market flooded by cheap corn, but meat began to arrive in large quantities from the Argentine and from Australia. Up to that time, cattle and sheep, when imported, had to be imported alive or boiled and

tinned. Little meat came to this country, but from the eighties onwards millions of hundredweights of frozen carcasses began to pour in. English agriculture was organised for the supply of corn and meat, and now the British farmer so far as corn and meat were concerned was in competition with the farmers of the world. Many of his competitors farmed great tracts of cheap and very fertile soil, while his land was dear and required constant and heavy expenditure to keep it in good heart. This new competition thus struck at the very root of our agriculture, and farmers began to look for a way out. An Agricultural Commission sitting in 1893 noted that in spite of the terrible competition, certain types of agriculturists not only survived, but seemed to prosper. Naturally, the first type were men of energy and capital who adopted the latest methods and kept the best stock and farmed the best land. But the Commission also noted the success of small men in small holdings who had turned their attention to dairy produce, butter and eggs, vegetables, and such articles. It was on these lines that British agriculture was to find its feet again, and since 1895 agriculture has been, and is, going through a most interesting transition period. Corn and meat production in this country is not protected up to the hilt; the day of successful corn and meat farming is past because certain other countries can on the whole produce much cheaper than we can. We must therefore pay attention to alternative crops, and most of these alternatives are such as are produced most economically on small farms.

Since the beginning of the twentieth century there has been a great increase in the output of previously neglected agricultural products, and with this increase a clear tendency towards a smaller agricultural unit. A comparison between the size of farms between 1895 and 1913 shows a definite reduction in the number of very small holdings—that is, under 20 acres—and a very striking reduction in the number of the very large holdings of 300 acres and over, and at the same time a tendency to increase in those holdings round about 100 to 150 acres. Agriculture has entered on what may be called a day of small things. Wise farmers in all but the most favoured soils are changing from the production of corn and meat and turning their attention to previously neglected agricultural products, in the supply of which there are great possibilities. Butter, cheese, milk, eggs, poultry, pork, fruit, and vegetables are products which are in great and growing demand, in which the British farmer can compete successfully, and where his natural pro-

tection of distance is of considerable importance, even in competition with the farmers of Western Europe, because on the whole these are commodities which are very quickly perishable. As far as one can see, the competition with the great corn and meat-producing countries has come to stay, and British agriculture will turn more and more to the production of these new commodities. Their production involves the output from the farm of a great variety of products, each of which requires great care. It is a time for the practising of the most rigid economy and the utilisation of agricultural by-products, and to be successful the farmer must endeavour to make use of all the latest discoveries of science. One of the greatest hindrances in the advance of British farming has been, and still unfortunately is, the ignorance and prejudice on the part of farmers, dislike of new-fangled notions, and unhealthy adherence to the agricultural methods practised by their grandfathers. Competition in the new products of agriculture will undoubtedly become keener with every improvement in means of transportation and with every advance of science which makes it possible to keep goods fresh by mechanical means; and if British agriculture is to progress, it will only be by the adoption of all the latest scientific improvements, and by a close attention to detail. It is the variety of product and the necessity for close attention to detail that tend to limit the size of the typical agricultural holding.

Everything points to the continuance of this transition. We may regard the war simply as an interruption, for it is unlikely that this country will ever attempt to supply all the home demand for corn and meat from inside, or, in other words, to organise our agriculture on the basis of a continual state of war. It is possible, however, that there might be a considerable extension of corn and meat growing in this country were the best methods more readily adopted, and there is probably room for limited protection to tide over the post-war period. But that is about all that can be said, while on the other hand, the demand for the new products will increase with every rise in the standard of life of the people, especially in view of the fact that food experts are continually urging a greater variety of diet and a greater use of fruit, vegetables, and dairy produce.

The change in the size of the agricultural unit should have an important and beneficial effect upon what has long been one of the most serious problems of agriculture. The development of agriculture has been accompanied by a steady drift

of the labourer from the country, partly to the town and partly abroad: immediately before the war it was estimated that about one in every fifty was emigrating from England. The seriousness of the decline in the agricultural population is shown by the fact that the number of persons employed on farms has gone down by about 30 per cent. since 1871. This has been due partly to bad wages and deplorable housing conditions, but chiefly to the impossibility of any rise in the social scale; a farm servant has little hope of becoming anything better. The importance of this fact has for too long been overlooked. The migration has been attributed to the attraction of the towns or occasionally to bad conditions in the country. Undoubtedly in many parts of the country wages were scandalously low and hours unbearably long. But it was not the hardness of the life that was at the root of the trouble. It was the hopelessness of the outlook. There was no chance for an ambitious man. The relatively large size of farms in England made it impossible for the farm-servant to accumulate sufficient capital to start farming for himself. There were too many big and too few middle-sized and small farms. The tendency to increase the number of middle-sized agricultural holdings, together with the increase of statutory small holdings, will undoubtedly help to keep the labourer on the land, for he will now be able to look forward some day to setting up as a farmer himself. The real importance of this consideration becomes clear when one recollects that many of the farm-servants who have emigrated have knowingly gone out to work under conditions which were even worse than those they had left at home, but in which they had a chance of becoming their own masters. The opportunity of rising which the farm-servant is now beginning to have because of the transition is an unmixed good. Agriculture needs new blood. In the past, British agriculture has suffered severely from in-breeding, and further, there has been no real community of interest between tenant and labourer, or indeed between landlord, tenant, and labourer. The present tendency to the breaking up of farms is in this respect a change of supreme importance. The truth of this contention was recognised in the report of the Select Committee on the Houses of the Working Classes Acts Amendments Bill in 1906 (House of Commons 376) which summed up in this connection as follows: "What is primarily wanted is that the young agricultural labourer should have a fair prospect of being able to progress. . . . The present conditions are of such a character that any such advancement

in life is surrounded with the utmost difficulty. . . . The labourer recognises that the land holds out but little hope of reward for him and sees nothing before him but to live and die a labourer. . . . The country districts are spending an ever-increasing amount in rates to turn out a more educated population, the best of whom migrate in large numbers to the towns and deprive the country rate-payer of the results of his local expenditure. This migration can best be checked by giving greater facilities for the renting or purchase of sufficient land to offer a profitable career to those who remain in the country." This drift to the town is specially serious in this country, where each hundred acres of cultivated land supports scarcely one-third as many persons as does the same land in Austria, Belgium, and Italy, and scarcely one-half as many people as in Germany, the Netherlands, Hungary, and France. A considerable advance towards the provision of statutory small holdings, i.e. fifty acres and under, was made before the war under the Small Holdings Acts, but it has to be observed that comparatively few of the applicants under these Acts were agricultural labourers: more often they were of the village artisan type. It may be that, with the higher wages which have to a certain extent remained since the war, farm-servants will be able to save a greater amount of capital than previously; but it will also be necessary for the Government to extend greatly the facilities for the acquisition of small holdings and small farms by agricultural labourers.

One difficulty, however, remains. The large tenant-farmer supplied with capital possesses a big advantage in being able to buy in bulk and sell in bulk, and in being able to utilise to the fullest extent the latest machinery, while the small man is undoubtedly under many disadvantages because he is small. His outlook is more limited, he can go to market less often, he tends to be less able to know and to obtain the materials, such as fertilisers, best suited to his soil. This problem is a very serious one, especially in view of the transition which British agriculture is undergoing, and in view of the keen competition which farmers are facing, and will have to face in the future. Undoubtedly agriculture needs help, but much of that help will have to come from within and not from the Government. There is little likelihood of any Government protecting agriculture to any great extent in this country. Agriculturists began to see that they would have to depend on themselves in the middle of the last century; and although many attempts have been made to induce the Government to protect agriculture in one way

or another, none have been successful. The remedy for agriculture, in fact, lies elsewhere. The transition to new products and the change to smaller farms go far to a renewed prosperity, but much remains to be done. The Government can help in many ways besides giving protection. It can spread knowledge of the latest scientific discoveries—of the tendencies in market prices. It should encourage research. It can do much to secure a reduction in the railway rates for agricultural produce and in the laying down of better transport facilities. Rural rating can be revised and help given with regard to agricultural credits. To protect the inefficiency of English agriculture would be no kindness—what our greatest national industry does require is help in making itself efficient enough to meet the inevitable world-competition.

But farmers can do much for themselves. In the days of agricultural enthusiasm up to the seventies farmers were eager to try new things. British agriculture was the world's model. Since the depression of the seventies there has been a too general adherence to old methods, too much prejudice, too much suspicion. If agriculture is to rise from the trough of the depression, enthusiasm must revive and agriculturists must strain every nerve to help themselves. This is all the more necessary in a country where there tends to be an increasing number of small farmers. In this respect the movement towards co-operation in agriculture is most important. Considerable advance has already been made, especially in Ireland, but much remains to be done. Progress in co-operation is, however, vital to agricultural advance. In the new agriculture, we are competing with countries which are highly organised on a co-operative basis. We cannot lag behind them, and yet prejudice and suspicion are desperately hampering this movement towards efficient organisation. The main forms of co-operative organisation are (1) in buying seeds, manures, or other farm requisites; (2) in marketing produce; (3) in dairying; and (4) in banking. It was through co-operative dairying that Irish farmers became so successful during the period before the present Irish troubles, but co-operative dairying has not been successful in this country. There are too easy and too steady markets for milk in our many towns. The type of co-operation that has been most successful here has been co-operative buying of farm requirements. This is the most obvious type of co-operation—the attempt to secure the advantages of buying in bulk. Co-operative marketing is as yet in its infancy. The obstacle to its

fuller development is again the ready and extensive market for all sorts of farm produce, but farmers are beginning to see the advantage of selling in bulk and to appreciate both in selling and in buying the value of the expert advice that can be given to its members by the co-operative society. For the importance of co-operation does not lie merely in the dividends which may accrue to the co-operators, but in the assistance given by the society to its members. In the fourth main type of co-operative organisation we are lamentably behind, partly because our banking system does already help farmers if only to a limited extent, but mainly because the British farmer hates the idea of letting his neighbours know anything about his position or intentions, and co-operative credit depends for its success on frankness. The need for agricultural credit banks is most urgent, and the demand for them will become more and more insistent as large farms get broken up. It is urged that the State should step in and help by supplying credit, but there is more solid hope from the self-help which comes from the co-operative credit bank. The credit bank revolutionised German agriculture; it could play as great a part in ours.

What agriculture needs is efficient organisation to meet a new situation. It is better that the movement should come from within than that the State should attempt to patch and bolster up the position. The main point is to keep clearly in mind that since 1870 the advance of science has brought the products of the world to our doors. The town dwellers have had cheap food, and the farmers have undoubtedly suffered severely, but it is no good trying to put the hands of the clock back. If a country wishes to keep in the foreground and benefit to the full by the increase of human knowledge and power, it must face the fact that here and there some industry or part of an industry is bound to be severely hit, and recognise that in such cases the only hope is efficient reorganisation. This is true not merely of agriculture, but is in fact the story of all British industries. For a time this country was the workshop of the world and had no serious rivals, but other countries with greater resources than ours were bound to learn from our experiments and were bound in time to overtake us in the race. This does not mean that our industries are faced with inevitable ruin, but it does mean that industry after industry will have to reorganise itself to meet a new situation.

V

THE INFLUENCE OF INVENTIONS

THE end of the eighteenth century was a period of important inventions and discoveries, of which those that occurred in the textile industries, while not the most fundamental, have perhaps become the most notable. We have seen that Kay's invention of the flying shuttle in the early part of the eighteenth century speeded up weaving as compared with spinning, with the result that considerable incentive was given to the discovery of some improvement which would again put the spinning industry on a level with weaving. Many attempts were made, but nothing was successful until Hargreaves, in 1765, invented the spinning-jenny, by means of which several threads were spun at once. This machine was worked by hand, but was followed three years later by Arkwright's water-frame, which was worked by water-power. The adoption of this machine resulted in the concentration of workers near water and in factories, and the conquest of the domestic unit by the factory began. Another important result of the water-frame was the production of a thread strong enough to be used for warp as well as weft. Up to this time, no cotton had been made strong enough for this purpose; linen imported from Ireland and Hamburg was used. But now cotton could be used throughout and the foundation of our cotton industry was securely laid. The next step was Crompton's combination of the spinning-jenny and the water-frame into a muslin wheel or mule, a machine worked by water-power by which the finest of yarns could be produced. The mule was also a machine which could only be worked in a factory, and marks another great step towards the factory system. Weaving was now hopelessly behind spinning, and attention was turned to the speeding up of weaving and the application of power to the loom. In 1785 Cartwright invented a power loom to be worked by a bull. Two years later steam was applied. Various improvements followed, and, in spite of great and determined opposition on the part of the hand-loom weavers, power-looms came slowly but steadily into general use. Some writers tend to give the impression that new machines were adopted in the textile industries with almost lightning rapidity, and that by the end of the eighteenth century the domestic type of organisation had almost altogether disappeared. In point of fact, the

changes which brought the various processes of the textile industry into the factory took two or three generations and were much slower of adoption in wool than in cotton. Up to 1815 there were only some 3,000 power looms in use. By 1825 the number had increased to 30,000, and by 1835 it had risen to over 100,000, over 90 per cent. of which were employed in the cotton industry.

These inventions in textiles were adopted first of all in the cotton industry because the market for woollen goods was inelastic and showed little possibility of expansion, while the new markets in the Colonies and in the tropics seemed to offer unlimited expansion for cotton. Further, while there was a plentiful supply of labour for the production of woollen goods, there was a scarcity of hands in the cotton industry, and machines were welcome. Finally there were certain technical difficulties in the case of the woollen industry which delayed the application of these inventions to that industry. The inventions first adopted in cotton and wool were gradually applied to other textiles. In the case of linen, the change to power was delayed because of the cheapness of Irish female labour, which kept linen weaving, until recently, a domestic operation. The net and lace trades were only conquered by the factories in 1850, while the hosiery trade was still domestic in the seventies. Other important inventions and discoveries followed the improvements in spinning and in weaving. The discovery of chemical bleaching shortened the time taken to bleach materials from days to minutes, the inventions of the cylindrical drum for printing calicoes enabled one man to effect what had previously taken a hundred men working with the old small oblong hand-block. These are just two examples from many others.

With these inventions came a profound change in the organisation of industry. The old domestic system was no longer possible; hand work had given way to machine production, but the machines were too large and expensive for the home worker, and moreover they were worked by power and had to be set up where the power was. The factory was inevitable, and as industry after industry was taken over by power machinery, so the domestic system passed away and the factory took its place. The transition period is usually taken as the period from about 1760 to about 1830, when the cotton industry was definitely taken over, but in point of fact we are still in the transition period. It was not till well toward the end of the nineteenth century that some industries became

organised on a factory basis, and many branches of industry are still domestic. There is, however, this justification for regarding the period 1760–1830 as the industrial revolution. Before 1760 industry as a whole was organised on the domestic basis; by 1830 it was clear that the day of the domestic unit had passed and that the factory had come to stay.

With the factory there came a great migration of industry, a great concentration of population, first on the banks of swift-flowing rivers, and then on the coal and iron belt, on the areas where power could be obtained. It is said that this country towards the beginning of the nineteenth century became the workshop of the world, but, in fact, it was quite a small part of our total area that became the workshop—in especial that wonderful region, the south of Lancashire and Yorkshire. This remarkable concentration of population raised acutely two problems. The first was how the population was to be fed, and we have already seen how this was met. The work of the agricultural improvers was as essential to the industrial revolution as were the great inventions and discoveries in textiles and metals. The second problem, which was closely allied to the first, was how raw materials and finished products and food were to be transported. The improvements in transport were of fundamental importance to the great changes we call the Industrial Revolution of the eighteenth century, and inextricably connected with the problem of transport is the development of the iron and steel industry.

We have seen that early in the eighteenth century, far-reaching discoveries had been made at Coalbrookdale by the Darbeys in the use of coal in the production of iron. The importance of their work lies not merely in the fact that it solved the problem of the serious shortage of fuel, but also, which was more fundamental, in that it was the first step toward the indirect production of iron and steel. When charcoal was used as fuel the direct result of the smelting process was lumps of pure or malleable iron with perhaps a coating of steel. The difficulty in the use of coal was that certain substances from the coal tended to mix with the metal, and the result of the smelting process was not pure but cast iron, which is brittle because of the high percentage of carbon in it. Thus when coal was used for smelting, the cast iron had to be put through certain purifying processes to free it from the carbon. Therefore this method of production of pure iron is indirect. But because of the division of the processes it became possible to control the product in a way never dreamt of before, and

in this way the Darbeys discovered the direct process and laid the foundation stone of our modern iron and steel industry.

The chief difficulties that faced the early ironmasters were the smallness of the furnaces and the inefficiency of the blast. Improvement in the height of furnaces is said to have come from Germany, and blowing apparatus was improved by Smeaton in 1760 when he completed his compressed-air pump. This machine was driven by water, and though its regulation was imperfect, it delivered a comparatively powerful blast. The principle was soon widely adopted, and steam was brought into use, not at first to work the pump directly, but indirectly to pump the water that turned the wheels that drove the blowing cylinders. The engine used for this purpose was Newcomen's fire engine, which had been patented about the beginning of the eighteenth century, and the story of the development of the iron and steel industry hinges on the improvements made on this engine by the Glasgow instrument repairer, James Watt. Newcomen's engine was really atmospheric rather than steam, in that the motive power came from the difference between pressure of the air on the upper side of the piston and the partial vacuum produced in the cylinder below the piston head by condensation of the steam which had been introduced to force the piston up. This method was obviously most wasteful of heat. Watt first evolved a separation of the condenser, thus saving the cooling and the heating, and then invented a process by which steam was alternately applied above and below the piston. By this means steam became the driving-power of the engine, and Watt therefore produced what was really the first steam engine, an engine immensely more powerful and economical than Newcomen's. When Watt's invention was introduced, the most competent critics said that it would be useless because the parts could never be made with sufficient accuracy. And, indeed, the impossibility of precision in manufacture was at the time one of the main obstacles to advance in mechanics. Better boring machinery was, however, invented by Wilkinson at Birmingham, and gradually with the adoption of iron for the wearing parts of the machinery machines began to be made by machines. The importance of the introduction of machine-tools, with the consequent enormous advance in precision and delicacy of work, can hardly be overrated. It was the key-stone of advance in engineering. The accuracy necessary for making parts of machines was quite impossible by hand. Before the invention of machine-tools, it was frequently easier to make a

new machine than to fit new parts. No two screws were alike, no two bolts. But with the invention of machine-tools—Maudslay's famous slide-rest for example—the engineering industry was born. And there grew up in England a race of engineers, the result of whose work was the revolution of industry—not merely in this country, but throughout the world. In engineering, as in transport, agriculture, textiles, and iron and steel, this country was a pioneer, making and re-making her own industries and giving to the world the results of her experiments.

With the improvements in the making of machinery by machinery, the perfecting of Watt's steam engine went on apace. There were two main lines of development; first, the securing of economy and smoothness in working, and second, the adaptation of the pumping motion to motion in any required direction. When the latter had been satisfactorily accomplished, it was not long before steam was applied to locomotives, and at the beginning of the eighteenth century a small river vessel was successfully driven by steam, and steam locomotives ran on the road and on tramway lines. In 1814 Stephenson constructed his first engine, and in 1829 the Rocket ran at 29 miles per hour and ushered in the railway era.

These inventions and the increasing use of iron for bridges and other constructional purposes greatly increased the demand for iron and speeded up improvement in the technique of the iron industry. Stronger blasts were evolved and furnaces were remodelled, but the crucial difficulty was the conversion of the pig of cast iron into wrought iron or steel. The problem was how to eliminate from the product the carbon which made it too brittle for commercial use. The reverberatory furnace was used as early as 1776, but it was Henry Cort who so improved the puddling processes that they became a practical success and assured the commercial success of the indirect method. To Cort also belongs the credit of another improvement of fundamental importance, one which opened up tremendous fields for the iron industry. When the metal was taken from the puddling furnace, it had still to be worked by the hammer, partly to shape it, and partly to clear it from impurities. Quite early in the history of the industry, rollers had been used for this purpose, but only for small masses of metal. Cort, however, so improved the rollers that they began to be used successfully for large as well as small masses of metal. This opened the door for the production of large plates of iron of any desired thickness. Also by grooving the rollers it was possible to

squeeze out strips of metal of any desired shape and consistence. The importance of this to shipbuilding and to railway development is too obvious to need further explanation.

The next stage in the development of the iron industry is connected with the name of Bessemer. Bessemer was a sort of professional inventor, and in the course of his various inquiries he came across the difficulty of producing good steel at a cheap price. Steel is iron in which there is a relatively small percentage of carbon, usually between 1 per cent. and 1·5 per cent., and slight variations in the amount of carbon make considerable difference in the quality of the steel. Crucible steel had long been produced, but the price was prohibitive. The difficulty in the matter lay in the controlling of the percentage of carbon. Bessemer set out to produce a steel cheaper than crucible steel by adding small quantities of crucible steel to malleable iron and fusing them in a reverberatory furnace. To get sufficient heat and to aid in the combustion of gases, he introduced the hot-air blast and arrived at what was practically the same process as was afterwards called the Siemens-Martin process. Bessemer took out certain patent rights at this stage, but went no further with the matter because he noticed that a piece of pig iron, with which he had plugged a hole in his furnace, became completely free from carbon after the furnace had been subjected to very great heat. Bessemer therefore set to work to produce malleable iron from pig iron, by using great heat to take the place of puddling and rolling, and succeeded in producing iron purer than that which was produced by the puddling process. He gave the name "steel" to his product although technically it was not steel. His method quickly became famous, and rights to work his "converter" were applied for everywhere. In practice, however, it was found that his method only worked with certain very pure, non-phosphorous ores. This was extremely serious, for it made the phosphorous ores relatively worthless, and the iron deposits of this country, with the exception of those on the north-west coast, were all impure phosphorous ores. There was, therefore, much experimentation and endeavour to evolve a process for the utilisation of the impure ores. For a long time the experiments were unsuccessful, and not until the end of the seventies was there any advance. In the meantime, Sir William Siemens patented his open-hearth process. This process was lengthier than the Bessemer, but was considered to be more reliable and uniform in its results, and consequently it became largely used for shipbuilding purposes where uniformity

and reliability are most essential. Bessemer steel was used for railway and constructional purposes, but in this country the Bessemer process has been completely overshadowed by the open-hearth. The total amount of steel ingots and castings produced by the open-hearth method is now nearly 8,000,000 tons against under 1,000,000 by the Bessemer converter. The older iron-producing countries on the Continent are the great strongholds of the Bessemer system, while in America, a new iron country, the open-hearth has gained tremendously on its rivals.

In 1878 the steel world was startled by the announcement that a method of utilising the cheap and relatively worthless phosphorous ores had been discovered. It had been found that the phosphorus might be made to combine with lime or manganese, and lime was therefore used as lining either for the converter or for the open-hearth. In addition to the use of manganese as a lining, lime was applied during the smelting process. This entailed a slightly more expensive process than the Bessemer or the open-hearth, but the additional expense was compensated by the cheaper raw material and by the sale of a new and important by-product, basic-slag, a most important agricultural fertiliser. This discovery was of fundamental importance and had the most far-reaching results. Relatively worthless ore-fields leapt into first importance. One of these was the great Lorraine iron-field, which now became the most important single supply on the Continent of Europe and the basis of the great iron and steel industry of Germany. Up till the seventies we were the first iron country in the world and had no serious rival, but towards the end of the seventies America, Germany, Belgium, and France entered into competition with us, and on account of the great iron deposits in both Germany and the United States of America, these two countries overtopped us, Germany coming second to America.

Some of the further consequences of the Gilchrist Thomas process, as the new basic method was called, we know only too well. The Great War of 1914 was not unconnected with the possession of these Lorraine deposits.

VI

THE GROWTH OF COMMUNICATIONS

Closely connected with the improvements in iron and steel, and also of fundamental importance, were the developments

in the means of communication. Professor Knowles, in her stimulating book, *The Industrial and Commercial Revolution in Great Britain during the Nineteenth Century*, measures the progress of British economic development since 1760 by the changes in the methods of transport. As long as communications are bad, markets are bound to be small and local, and consequently industry and trade cannot expand to any great extent. This is one explanation of the slow progress of industry in this country until the middle of the eighteenth century, for till then communications were in an appalling state. There was of course neither steamship nor railway. There were no canals. Roads, such as they were, were unfitted for almost any kind of traffic. The journey from London to Edinburgh took at the best about seven days, and the high roads were strewn with carriages which had broken down in the slimy mud. The only quick method of getting about the country was on horseback, which was of little use for trade purposes. It is said that there were no wheeled carriages in Devonshire at the end of the eighteenth century. Coal was transported from the colliery at Worsley Brook to Manchester in panniers on the back of horses, 200 pounds to the load. Improvements began with the roads and the canals, and toward the end of the eighteenth century, as a result of the work of the great road engineers, Metcalf, Telford, and later Macadam, good roads with a good surface, planned with some attention to gradient, began to spread over the country. The first canal in England was that from Worsley to Manchester, constructed by Brindley and opened in 1761. This canal was a remarkable achievement, for Brindley was an uneducated millwright who worked out most of his methods for himself and trained his own labourers, or "navigators" as they were called, a class of labourer which afterwards became the navvies of the great railroad period. From the opening of the Duke of Bridgwater's canal to the end of the century there was a canal mania. Canals were constructed all over the country by private companies, who paid no attention whatsoever to uniformity. These canals were built simply to compete with the roads and, like the roads, were constructed by private enterprise for the sake of the profits resulting from tolls on users. They were planned helter-skelter, and the resulting absence of unification has rendered our canal system to-day relatively useless, for although canals have been overshadowed by the quicker and more effective railway system and by steamship lines, still, had there been a uniform canal system in England, it would

have been an asset of great national importance, and our canals, instead of being practically deserted, might have been efficient bearers of many products which do not require rapid transportation. The immediate influence of the canals on industry and commerce was great. They opened up the country and encouraged the growth of towns. It was now possible to transport goods in bulk over a much greater area, and with much greater speed, certainty, and safety, and at a much cheaper cost. The Bridgwater Canal, for example, is said to have halved the price of coal in Manchester. In short, the canals made possible the industrial revolution of the eighteenth century and paved the way for the greater development in industry and commerce of the last seventy years.

Early in the nineteenth century iron tramways were constructed to connect collieries with the towns, the trucks being drawn by horses. Then came the application of steam to locomotion, and in 1821 modern railroad development began with the laying down of the Stockton and Darlington Railway, which was opened in 1825. Goods were to be drawn by steam and passengers by horses. Following the success of this experiment, other railways began to be opened up, notably the Liverpool and Manchester Railway, which obtained permission to begin operations in 1826. This railway is of special importance because it was the first railway to challenge canals, having been promoted because the canals were unable to deal adequately with the increasing traffic between Liverpool and Manchester. It was opened in 1830 and had rights for both horse and locomotive traction, but its promoters soon saw great possibilities in steam locomotion for the transport of passengers, and bought out private carriage rights, providing in their place coaches of their own. To the surprise of everybody, passenger traffic soon proved more remunerative than goods. The railway company thus became a carrier. Promoters of railways, like promoters of roads and canals, had not intended to act as carriers, but simply to provide a roadway along which people might transport their goods and pay tolls for the privilege. A very short experience of running showed quite early that railways were essentially different from roads, and that their users could not be allowed to go and come as they pleased. Railway development, though not very fast at first, was by 1840 sufficiently rapid to attract the attention of Parliament, and to make it lay aside its *laissez-faire* conceptions and interfere with private enterprise to the extent of giving the Board of Trade certain very limited powers of supervision.

From this time onwards the story of railway development is a story of increasing State control, until after the recent war we seemed to be rapidly approaching the point of nationalisation. At first railways, like roads and canals, grew up without any general plan, and were not uniform as to gauge. The railway clearing house was established to facilitate the sending of trucks from one system to another, and showed with irresistible force the disadvantages of the existing disconnected lines. This, together with the railway mania of the forties, led to a period of consolidation which lasted till about the seventies, when there emerged the trunk system to which we have become accustomed. Consolidation made the railway companies very powerful, and the problem of control of this important national service became pressing, for complaints were being continually made regarding the misuse by the railways of their great power. In 1873 Parliament instituted a Railway and Canal Commission which was to decide on reasonable rates, to compel the railways to make their rates public, and to examine into amalgamations. This body as instituted in 1873 proved weak and was reconstituted with fuller powers in 1888. Railway rates were publicly discussed and maximum charges fixed for the various classes of goods. Following the fixing of rates, the companies tried to raise all their charges to the agreed maximum, but, to their utter consternation, were forbidden to do so unless they could show cause. The companies then found it impossible to raise their rates, and unwise to lower them. Competition in rates was ended, but a new type of competition followed, competition in the provision of up-to-date facilities both for passenger and for goods traffic. This competition, together with the ever-increasing costs with which railway companies were faced, led to an increasing number of amalgamations, or working agreements between the various lines, which again brought into prominence the danger of a railway monopoly, and nationalisation began to be spoken of as a way out. We were at this stage when war broke out in 1914. The war made it necessary for the Government to take over the working of the railways, and after the conclusion of hostilities in 1918 the movement in favour of nationalisation again made itself strongly felt. In the end, however, the railways were handed back to the companies, but the Government insisted on the various companies forming themselves, for the sake of economy, into five great groups—which has put off for a short time further talk of nationalisation.

The outstanding features of British railways are explained

largely by their historical development. Their costliness is due not merely to the physical features of this country which have made the lines expensive to construct and expensive to run because of so much short haulage, but also to the fact that British railways were pioneer experiments, and that much money had to be spent to overcome the great prejudice against them at their inception. Another feature of English railways, the private ownership of about 50 per cent. of the traffic rolling stock, is also a relic of the early days of the railway companies, when they hoped to make their profits from tolls from the users of the lines.

The application of steam to shipping, like the development of the railways, falls into the period after 1830 ; and here again Great Britain was a pioneer. But in another respect, the story of shipping is fundamentally different from that of railways. The story of railway development is the story of ever-increasing State control ; but except for Board of Trade regulations governing the safety and the proper treatment of crews, the history of the development of shipping is that of a progressive freedom from control. The reasons are not far to seek. Shipowners have no need of Acts of Parliaments to procure running rights on the sea, and in any case ships can much more easily avoid control than can railways. Fixation of rates is impossible for shipping, for ships are not confined to the ports of any one country, but move freely all over the world and can easily avoid regulation. The complications which this introduces are obviously tremendous. Further, steamer services are subject to foreign competition, while railways are not. Consequently while control over railways became intensified during the nineteenth century, control over shipping was progressively relaxed until in 1849 the Navigation Acts were repealed after some 500 years of varied attempts at control.

The technique of shipping improved by leaps and bounds during the last half of the nineteenth century, but in shipping to-day we have the same two general types which were typical of shipping in the sixteenth and seventeenth centuries. There were then the great East Indian ships making fairly regular journeys to India and the East, and also the free traders of the West Indian type. To-day there are the great liners following regular routes carrying passengers and mails and that part of the commercial traffic which requires quick and regular transport. There are also tramp vessels which move freely from place to place wherever cargo is to be found, carrying the great seasonal cargoes of the world. These tramp steamers are of

first importance to our commerce. They break new ground for the liners, and British trade with its moving of enormous cargoes from one place to another throughout the world depends tremendously upon her tramp steamers. It is no surprise therefore that before the war 60 per cent. of British shipping was tramp, while 40 per cent. was liner. Our mercantile marine has become the largest and most efficient of the world, comprising about 50 per cent. of the world's tonnage. But the importance of the British Mercantile Marine is really greater than these figures show, because this country has constantly kept her mercantile fleets up-to-date by the addition of new vessels and by selling off to other countries vessels which had become old-fashioned. Further, our marine contains a far larger proportion than that of any other nation of vessels which are fit for ocean-going voyages. Of the tonnage of the United Kingdom, over 90 per cent. is of this large size. The reason for this dominance of Great Britain as the world's carrier is partly due to her insular position, partly that we draw on the whole world for our food, and partly that we are the centre of a world-wide Empire system. Our coal resources are of first importance in this respect because they provide us with continuous outward cargoes which greatly cheapen our traffic costs.

Foreign competition became keener after the Franco-Prussian war, when various countries, Germany included, had begun to stimulate their shipping by bounties and other devices. German shipping developed rapidly, partly on account of these subventions and partly on account of her great trade, which had the advantage of being concentrated at a few ports and therefore assured large cargoes for German ships. Her exports and imports were well balanced, giving her ships tonnage both ways, while the efforts of Germany to become the channel of emigration for peoples from the centre of Europe and the development of her steel industries provided additional traffic. German competition was severely felt by British shippers, who had no subsidies to fall back upon in the internecine rate-war which followed. Shipping became unremunerative, and consequently conferences were formed by different groups to stabilise rates. The result of these conferences was said to be greater steadiness, better management, and greater regularity in sailings, but they were open to considerable abuses and evasions, Germany by her manipulation of the emigration traffic being one of the most culpable in this respect.

The effect of the developments in railways and steamships

was to introduce new factors into economic life—speed, safety, regularity, cheapness, transport of bulky articles. The result was a new mobility, both of goods and of persons, causing a revolution in the staples of commerce by bringing into first importance bulky articles and perishable articles and causing in consequence fundamental changes in the organisation of industrial and commercial life. With regard to persons, it meant profound changes in social life, the concentration of great masses of the community in confined areas and the emergence of new classes, and also emigration on a hitherto unheard-of scale. These changes affected national and international life alike. Nations which had previously been of first importance declined, other nations came to the front, and new empires contended for mastery. Before the improvement in transport, commerce had been confined chiefly to the coastal areas, but with the development of railways and the cheapening of transport the hinterlands were opened up, not merely in Europe, but in America, Africa, and Asia, and cheap steamer transport brought raw materials from the new countries to the great industrial centres of the Old World, carrying back in exchange the manufactured articles which the new countries needed to build up their growing economic life. The inevitable result of this opening up and development was the creating of new rivalries, and Britain, which, largely owing to its favourable position with regard to iron and steel, had been at the forefront of development, found strong competitors in Germany and the United States of America, both of whom, before the war at any rate, were well equipped for competition in iron and steel.

Hence the period before the war saw a change in the commercial policy of this country. The manufacture of cheap articles capable of standardisation was left to our competitors, while this country relied more and more upon high-class manufactures, and upon her shipping and coal. We were thus able to maintain our position as the carrier of the world, building two-thirds of the world's ships and doing one-half of its total carrying trade. This pre-eminence is of vital importance to our future existence, and fundamental to the continued strength of the British Commonwealth, because it means the lessening of distance and the binding together of the component parts of that great union. For this country it means the only effective insurance against starvation. The recent war drew attention to our dependence upon transport for food supplies, but it is difficult to realise the full extent of that dependence. The 1905 Commission on our food supplies in time of war reported that for

considerable periods our first-hand stocks of wheat at the various ports were two and a half weeks' supply, stocks in the hands of millers three weeks', and in the hands of bakers one week's; that is, in all, less than two months' supply in the country—a striking illustration of our reliance on transport, and of what a world-market in wheat really means. Our supplies come regularly from different parts of the world: in January from the Pacific Coast of America, in February and March from the Argentine, in April from Australia, in May, June, and July, from India, in July, August, September, and October from America, in October from Russia, in November from Canada; whereas before the development of these methods of transport the only sources of supply from outside were South Russia and Prussia, costly sources which, moreover, were subject to the same conditions of plenty and scarcity as our own.

These changes in transport have not merely revolutionised the staples of commerce but have caused profound changes in commercial and industrial organisation, although here it is difficult to disentangle what is due to industrial technique and what to the result of improved transport facilities. It is quite clear that although vertical and horizontal combinations were not unknown before the industrial revolution, the huge business integrations with international ramifications are primarily due to improvements in transport, and could not continue for a moment without modern transport facilities. Further, it is the possibility of swift, regular, and certain conveyance of goods that has done away with the necessity of keeping large stocks, with important economies in credit and in warehousing space. International businesses have become possible, as have also international labour movements and conferences of all kinds. Rapid communication has meant a great increase in the powers of central government, and a consequent decrease in the powers of local authorities.

To sum up, developments in transport have caused, and are causing, profound industrial and commercial changes—not one industrial revolution, but a series of revolutions. First they changed the staples of commerce, bringing into first importance bulky and heavy commodities, of which iron is possibly the best example. Secondly, they influenced profoundly changes in organisation, for the widening of the market had brought about the internationalisation of the business unit, and these changes have raised in their turn new questions of Government control. The old fear of free competition has

gone, and now we are faced with dangers of monopolisation, but monopolisation of a new sort—businesses so powerful as to be able to avoid control of individual Governments.

VII

SOCIAL CHANGES AND IMPROVEMENTS

Up to the present we have been content with discussing the changes which have occurred since the end of the eighteenth century from the industrial rather than from the social point of view, but such upheavals in industry are bound to be accompanied by profound social disturbances. This aspect of the case is not without its deep importance, for much of the distrust and bitterness which are so conspicuous in our modern social and economic conditions is the legacy of these 150 years of progress. The industrial revolution of the eighteenth century came at a time when the old restrictions on trade had proved hampering. People began to think that if the Government left industry alone the country would prosper. This belief was made stronger by the appearance in 1776 of Adam Smith's *Wealth of Nations*. A profound belief in individualism and *laissez-faire* permeated the controlling classes. Hence for a long time nothing was done to alleviate the inevitable distress of the transition period. The individualism of the end of the eighteenth century also found its expression in our commercial policy, and is best exemplified in the movement towards Free Trade.

Our main rivals in the eighteenth century were the French, whose industries were the foremost in the world. We were hostile to them politically, and were almost continuously at war with them all through the century. Many of the additions which were made to English colonial possessions during this period were made at the expense of France. English merchants were afraid of French competition, and as a result of this trade with France was prohibited from 1688 to 1786. The Tories were favourable to the French, mainly because the latter had supported the Stewart cause. One of the first signs of change came with Pitt's treaty with France, due directly to the effects of the theories propounded in the *Wealth of Nations*, by which treaty trade was again opened up on an extensive scale with France. Shortly after, however, the French Revolution and a new war with that country stopped the movement towards freer trade; and, in order to raise money

for the war, everything that could bear taxes was taxed. It was at this time that the income-tax was imposed by Pitt (1798), but was abolished in 1816. The abolition of income-tax simply meant that more money had to be raised by indirect taxes, and the intolerable burden of taxation was increased by the Corn Law of 1815, by which no foreign wheat could be admitted unless the price of corn rose to over 80*s.* a bushel. The country was being strangled by innumerable taxes. The burden fell chiefly on the poorer classes, but the new class of wealthy manufacturers was escaping. Our industries at that time had no need of protection, for we were the only manufacturing country in the world, and had become the world's workshop. The new doctrine of *laissez-faire* was, however, permeating the community, and there was strong pressure to get rid of the inconvenience and burden of this mesh of taxation. Huskisson, broadly speaking, continued the policy of Pitt in endeavouring to free trade from entanglements of taxation. He, however, went much farther than his predecessor in that he reduced duties on manufactures and on raw material and abolished all export prohibitions and did away with bounties. He simplified to a certain extent the collection of customs and continued modifying the Navigation Laws. As a result, in 1825, reform on the basis of reciprocity with foreign countries was carried out. It was now legal to import the produce of any country in a ship of that country as well as in British ships. The end of the Navigation Acts came soon afterwards. The Act of 1845 may be considered the last of the series, when certain enumerated articles were confined to British ships or ships of the country of origin. Four years afterwards opinion against Navigation Acts had become too strong to be resisted, and they were in that year repealed; in 1854 the coasting trade was also thrown open, and, after five hundred years of control, shipping became free, with the exception of minor regulations ensuring safety of life and property at sea.

The repeal of the Navigation Laws may be considered as only one incident in the advance to Free Trade, which in its turn is one of the features of the *laissez-faire* movement. The work of reducing the monstrous regiment of taxes was carried further by Peel. He was called to office in the autumn of 1841 and put forward as his policy that protection should only be maintained in so far as it would benefit the community as a whole, and should be abolished in so far as it benefited only particular interests, which policy was not far removed from

the policy which we were to follow later, of taxes for revenue purposes only. Accordingly he reduced still more the taxes on raw material and on manufactured goods, and also on export goods, and to make up for the loss of revenue he again employed the income-tax. As a result, he found himself with a surplus, and accordingly in 1844 and 1845 made further reductions of duties, and in 1846 crowned his policy by his repeal of the Corn Laws, which was the culminating point of the movement towards Free Trade and also registered the victory of industrial over agricultural interests in this country. It meant, too, a final abandonment of the idea of national self-sufficiency, and the definite adoption of a policy of endeavouring to obtain cheap food imports to pay for the export of manufactures, for cheap food meant low cost of production.

The movement towards Free Trade was continued by Gladstone, who secured the final removal of all duties and preferences, except such as were for purely revenue purposes. He retained income-tax and raised estate duties, so as to make up for the consequent loss of revenue. With the coming of Free Trade England entered on a period of unexampled industrial prosperity, the one exception being agriculture, which, as we have seen, suffered after the seventies from the importation of cheap corn and meat from North and South America, Australia, and New Zealand. The acceptance of Free Trade by this country was followed after 1860 by a Free Trade movement in Europe. Continental nations, however, after 1890 denounced the most-favoured-nation clauses and tended to revert to a purely Protectionist policy with a view to encouraging their home industries. In this country, at about the end of the century, the controversy between the supporters of Free Trade and the supporters of Protection revived, and during the war, and since, there has been a partial return to the imposition of duties on articles so as to encourage certain British manufactures.

Our modern social legislation is almost entirely the product of the last hundred years. The changes in methods of production began to come, as we have seen, about 1760, but no real attempt was made to deal with the social implications of these changes until after 1830. That is to say that people were allowed to crowd together in the rapidly growing towns with no sort of regulation at all, employers could make what conditions they liked with whomsoever they wished to employ, and, in general, a huge manufacturing industry was developed amongst laws and customs that had originated in and were

designed for a community which was predominantly agricultural.

There were various reasons for this. The development was entirely unprecedented, and no one knew what should be done or whether in fact anything could be done. We were the pioneers and were therefore unable to profit by the experience of other countries, as other countries were afterwards able to profit by our experience. One consequence of this was that people living in the factory towns were crowded together under conditions that were so insanitary that, for instance, in 1840 about 50 per cent. of the population of Preston died between the ages of 18 and 28. There was a great belief in *laissez-faire*, in freedom of contract of every kind, so that not only were the restrictions on wages and apprenticeship removed, but unions of workmen were prohibited in 1799 on the ground that they interfered with the individual workman's freedom of contract. Most people believed that the function of the State was merely to keep order whilst the employers and workmen settled their affairs by mutual bargaining. This view of things still obtains to-day, but we have learnt by now that complete freedom of contract between employers and workmen is in practice detrimental, as the workman is almost invariably in a much weaker bargaining position than the employer.

This can best be illustrated by examining the way in which children were treated. Obviously a child is not in a position to pursue unaided its own best interests, and in most cases parents were unwilling, or unable, to go without the wages which children could earn, so that in the early days of the factory system children were set to work at an extremely early age for appallingly long hours. There were many instances given to the Commissioners who investigated the factories and reported on them in 1833 of children below 10 years of age who worked 12 or 14 hours a day in the cotton factories with one hour for dinner. As many of the operations in the factories were purely automatic, they could be performed quite easily by children, and most parents considered themselves entitled to the wages which young children could earn. As late as 1866 some Royal Commissioners found it necessary to observe that it was "unhappily to a painful degree apparent through the whole of the evidence that against no persons do the children of both sexes need so much protection as against their parents." It must be remembered that children were set to work at very tender ages for long hours under the domestic

system, so that the conditions in the factories were by no means new. In some ways the new conditions were even better, for those children who lived with their parents did get away from the paraphernalia of their work while they slept, which they were unable to do in the domestic system of production. Women also worked under conditions which nowadays we should consider shocking. A great deal of the heaviest work in mines was done by women, while the hours they had to work in factories were extremely long.

Government interference began to deal first of all with these two classes of the population. Men were considered to be able to look after themselves. The reforms in the factory system were initiated and worked out by two sets of people—the humanitarians, who contrasted the great national wealth with the miserable conditions of many of the artisans, and the followers of Jeremy Bentham, who preached the doctrine of "the greatest happiness of the greatest number" and who attended to Poor Law, sanitary, and educational reforms. The movement received its first impetus from Robert Owen, a penniless Welshman who made a fortune as a mill-owner in Lanark, and who reduced the hours of the children employed by him from 16 to 10 per day. He also improved conditions for his workpeople, and yet was able to show a huge profit on the working of his mill. Thus he was able to disprove the contention advanced by most employers that long hours were necessary, as all the profits were made by the work performed during the last hour. Other prominent humanitarians were Robert Southey, the Poet Laureate, and Lord Shaftesbury, both of whom were highly respectable Tories and commanded a great following.

Acts were passed in 1802 and 1818 dealing with the employment of children, chiefly in cotton factories, which were thought to be exceptions, and limiting the hours for which they could be employed to 12 per day. Both Acts were strongly opposed because it was thought that they were injurious to trade and to the children concerned (because they might starve if their work was interfered with), and also because a parent should be able to do as he likes with his children. The Acts were inoperative, because penalties for breaking them were very small, and information was very difficult to obtain. A serious agitation began in 1830 and led to the Act of 1833, which was the first real attempt to deal with the problem. Under this Act the hours which children might work were limited, and four inspectors were appointed to work under the Home Office

and see that the Act was enforced. They soon discovered that their task was nearly impossible because there were no means of ascertaining children's ages, and in 1837, therefore, the registration of births was made compulsory. This is an illustration of the difficulties which had to be encountered, and will serve to show that factory regulation had of necessity to be a slow process. It was ten years before the registration of births was of any use to the factory inspectors in checking the ages of children. In 1833, the same year as the Factory Act was passed, the Government, for the first time, made a grant out of public funds towards elementary education. Thirty thousand pounds were divided in that year between the British Schools Society and the National Schools Society, and from then onwards the grants continually increased, whilst the Government persistently extended its control over elementary education until in 1870 education was made compulsory for every child. The extension of educational facilities was very important, because if children could be educated they had something to do and somewhere to go until they were old enough to be allowed to work in factories. Before elementary schools were abundant, many people considered quite reasonably that children were better off morally if they had to work, even under bad conditions, than if they simply loitered about in idleness.

The next great move forward was taken in 1847, when an Act was passed which limited the hours that women and children might work to 10 per day for children and 10½ per day for women. This was tightened up in 1850, as evasion had been rather easy under the Act of 1847. Women, that is to say adults, were now brought under the administration of the Factory Acts. No general disbelief in the freedom of contract was implied by this movement, as women were thought to be exceptions. In practice, however, men left off work at the same time as women.

Up to this time the Acts had been applied mainly to the textile trades, but people began to realise that evils existed in all trades, and inspectors began to press for the inclusion of other trades, such as lace-making, bleaching, and dyeing. This was done in 1861 and 1862. Then it was realised that while conditions in factories were improved, those in workshops were left practically untouched. In 1867 all factories and workshops were to be regulated, inspection of the former to be by the central government, and inspection of the latter by the local authorities. This Act also began to enforce the

fencing of machinery. By this time it was realised that trade had not, in fact, been ruined by regulation, and from now onwards regulations were continually increasing and becoming more detailed and effective. In 1878 a ten-hour day was fixed; in 1891 certain trades were labelled dangerous and made subject to special rules, while an attempt was made to apply regulations to home workers. In 1901 the powers of factory inspectors and workshops and home workers were increased, while since then technical training has been introduced for children, the conditions of children's employment have been further regulated, attempts have been made to deal with "sweated trades," minimum wages have been fixed, and industries are subject to all kinds of special regulations.

Since 1842 the mines of this country have been subject to Government regulation. This was especially significant, as coal-mining was not a new trade as cotton was. Conditions in the coal-mines as revealed by the Commission of 1840 were so appalling, however, that the Government stepped in to interfere with the complete freedom of contract. As before, the first movement was made in the interests of women and children, but in this case all females and all boys under 10 were prohibited from working underground at all. This led to a serious amount of unemployment for women in the coal-producing areas, and inspectors had to be appointed to see that women did not go underground. Soon after this there was a series of bad accidents, and the mine inspectors were instructed to see how general conditions could be made healthier and safer for the miners. They reported that accidents were due very largely to the ignorance of the miners and the overmen, and after that overmen had to have a certificate of competency. Thus special regulations for dangerous trades were really inaugurated by the mines. At the same time the miners demanded compensation for accidents, and out of this arose the whole scheme of Workmen's Compensation. In 1872 and 1896 Acts were passed which increased the effectiveness of inspection, made more stringent the inquiries which were to be made in case of accidents, dealt with various safety devices, such as the lamps used in mines, the plans kept of the mines in use and those disused, the examination for gas, and the fencing of disused shafts, and which finally insisted that wages should be paid in money at the mine and that the miners should have full facilities to have the weighing of the coal checked. In 1908 an eight-hour day was fixed for miners, and this was reduced to a seven-hour day in 1919, while in

1913, in consequence of the strike of that year, a minimum wage irrespective of local conditions was fixed for miners. During the war the coal-mines were practically worked by the Government, which guaranteed a minimum profit to the mine-owners, and since the war ended there has been a controversy over the proposal that the mines should be nationalised. The majority report of the Sankey Commission, which investigated this question in 1919, was in favour of a form of nationalisation. Its proposals were, however, rejected by the Government, though no doubt this question will be raised again in the future.

The agitation of 1840 led, as was mentioned above, to a demand from the miners for compensation for accidents. No Act with reference to this appeared on the Statute Book till 1880. Up to that time compensation came under what was known as the " doctrine of common employment," which held that a master was responsible for injuries which his servants, in the course of their employment, inflicted on a stranger, but was not liable for injuries which his servants inflicted on each other. The principle underlying the Act of 1880 and subsequent Acts was that if the employer were made liable for accidents, these would become so expensive that it would pay him to put in safety devices, and to be stricter with regard to negligence on the part of his employees. The Act of 1880 made the employer liable for injuries caused through the negligence of his managers or foremen, or through defective machinery. It only applied to certain trades. From this Act the practice developed of " contracting out "—that is, employers would only engage workmen on the condition that they would not claim compensation if they were the victims of an accident. A further Act passed in 1897 prohibited contracting out unless it could be shown that the workman, by insurance or otherwise, was in at least as favourable a position as if he had not contracted out, and it also made employers liable for all accidents if claimed during the course of employment, unless the accident was due to the " serious and wilful misconduct of the man himself." This Act applied to more trades than that of 1880, and included in its scope about one-third of the workers. In 1900 agricultural labourers were included, and in 1906 the scope of workmen's compensation was extended to all workpeople who earned less than £250 per annum, and was made to include industrial diseases as well as accidents. Employers can, and very often do, insure against having to pay compensation, but difficulties arise in the case of small masters who

have not insured, and who are unable to bear the cost of compensation. The decision of the judge is arbitrary, and in most cases the payment of a lump sum to settle the claim, which would often be cheaper than a pension, is not allowed.

One evil which survived from the domestic system through the greater part of the nineteenth century was the payment of wages in kind or "truck." There were many varieties of this, all designed either to keep the workmen in the employers' debt and thus make it impossible for him to change his employment, or to make an extra profit for the employer out of the workman's wages. In many cases the employer kept a shop at which his workpeople were forced to deal, and where they had to pay excessive prices. Usually extensive credit was given, and the workpeople were considerably in debt. Sometimes wages would be paid in a public-house in round sums which had to be divided between two or more men, so that they spent some of their wages in order to get change. Often workmen actually received their wages in goods, which were valued at excessive prices, sometimes in undesired goods such as a silk handkerchief, which the worker had to sell in order to obtain necessities. Home-workers suffered a great deal from the evils of this system. Often they were charged excessive rents for some machine lent them by their employers. The system was prohibited by an Act in 1831, but supervision was almost impossible, and information was difficult to obtain, as a workman who complained was thrown out of employment. In some districts the honest employers combined to obtain evidence and raise funds to prosecute offenders. After 1850 the growing strength of the Trade Unions caused payment in truck to diminish a great deal, though in 1872 a Royal Commission found that compulsory dealing at the employers' shop was still very prevalent, and that the worst abuses of the truck system were still in existence among home-workers. In 1887 the factory inspectors were empowered to deal with this matter, and the Truck Acts were made to apply to all workers except farm labourers and domestic servants. Deductions from wages and fines were dealt with in an Act of 1897, which said that all deductions had to be by agreement with the workers and in accordance with a list which had to be posted up in the factory, and further, that deductions had to be reasonable in themselves. This Act was very difficult to apply to home-workers, and an attempt was made to deal with them by the Trade Boards which were set up for various industries in 1909, and which are still in existence.

Mention has already been made of the insanitary conditions of the factory towns. Bad sanitation had been the rule all over Europe since the fall of the Roman Empire, and it is a matter for surprise that European peoples were able to survive at all in the unsavoury circumstances of the Middle Ages. That they were able to do so is due to the fact that the vast majority of the population was engaged in agricultural pursuits and lived in small villages, while the towns, though perhaps considered large at the time, were very small compared with modern standards, and access from them to the open country was easy. With the development of factories the circumstances were changed, and the crowded towns of artisans were so insanitary that there was an appalling amount of illness and premature death. Systems of main drainage were unknown, and the water supply in the neighbourhood of the new industrial towns of the North was quite insufficient for the needs of the factory population. Attention was drawn to these conditions in 1831, when a sudden outbreak of Asiatic cholera swept through London. There was a great inquiry in 1844 headed by Chadwick, a disciple of Bentham, and in 1848 the Central Board of Health was set up. Local authorities were permitted to adopt sanitary legislation, but could not be forced to do so. This is another illustration of how the theory of *laissez-faire* breaks down in practice. No doubt it benefits a person to spend money on making the conditions in which he lives sanitary, but his expenditure would be nearly useless if his next-door neighbour did not also adopt sanitary precautions. A whole street or even a whole town might be infected quite easily owing to the negligence of one of its inhabitants. There is only one method of safety, and that is to compel everyone to adopt sanitary measures, which involves compelling everyone to pay towards the upkeep of drains and other essentials—that is to say, the governing body has to interfere considerably with the action of the private citizen. The Central Board of Health set up in 1848 was opposed by most educated people, as microbes were then unknown, and the opinion prevailed that the diseases caused by bad sanitation were inevitable. In 1854 the Central Board of Health was to be abandoned, but this was prevented by a visit of cholera in that year. About the same time Florence Nightingale was showing in the Crimea what could be achieved by means of hospitals and good conditions. People began to realise that disease was often caused by lack of fresh air and sunshine, and in 1858 local authorities were empowered to make regula-

tions for new buildings, and for the repair and demolition of existing buildings. Not much was done, because it was so difficult in practice to fix the compensation due to the owners of the buildings which were to be demolished. Medical science was progressing, and with it knowledge of methods of sanitation was increasing, so that it was possible in 1875, when sanitation was made compulsory for all local authorities, to tell them what should be done. Under the Act of 1875 local authorities were to be supervised by the Local Government Board. Since that time the scope of sanitary legislation has been extended, and the health officers of the local authorities have considerable powers over all places which are likely to become centres of infection, such as butchers' shops. Great care is taken that all food which is sold is fit for consumption, and all infectious diseases have to be notified. Lastly, local authorities have now considerable powers over housing, and no new schemes can be commenced until they have been sanctioned by the authority concerned. In 1918 all supervisory powers over sanitation and housing were given over to the newly created Ministry of Health.

The nineteenth century saw a great change in the administration of the Poor Law in England. In Elizabethan and early Stewart times the administration had been fairly effective, if severe and wrong-headed in modern opinion, but with the abolition of the Prerogative Courts during the revolution it fell into decay. Each parish was at liberty to administer the Act as it thought fit, and there were nearly as many systems of pauper relief as there were parishes. This chaotic condition lasted till the latter part of the eighteenth century, when an attempt was made to improve matters by permitting certain parishes, and later, in 1795, any parishes, to combine with others for the purpose of administering the Poor Law. That was a time of great distress, especially in agricultural districts where the labourers were losing their by-employment. Prices, especially the prices of food-stuffs, were fluctuating violently owing to the war. The middle and upper classes, with the object-lesson of the French Revolution before them, were for the most part thoroughly afraid of the effect of any great amount of distress, and consequently administered Poor Relief very extravagantly. In 1795 the magistrates of Speenhamland drew up a scale of wages which they thought were the lowest people could subsist on; a man was to have at least 3*s.* per week when a four-pound loaf cost 1*s.*, and something extra for his wife and each child. As the price of bread went up, so his

allowance went up. Anyone whose wages were below the level fixed by this scale had their wages made up by the magistrate. This scheme was adopted almost everywhere. The result was that a large part of the population of this country was pauperised. A hard-working steady labourer was in no better position than one who was shiftless, and idle people were encouraged to have children, as their allowances increased with their families. The worst kind of population was thus stimulated. Other systems of out-relief were applied in various places, but most of them were bad in their effects. Poor rates went up by leaps and bounds between 1776 and 1830, and the position was becoming intolerable. A Commission, mainly inspired by Benthamites, investigated the Poor Laws and reported in 1832. Their report was adopted and put into force in 1834, and it forms the basis of our present-day administration. Poor Law Commissioners were appointed to carry out the principles of the Act of 1834, which were: (1) that no out-door relief was to be given; (2) the parishes were to be amalgamated into Unions—that is, that the workhouse was to be for a larger area; (3) poor law officials were to be paid; and (4) the principle of "less eligibility" was to be applied in workhouses—that is, the lot of a person inside a workhouse was to be made somewhat worse than that of persons outside. It will be noticed that these proposals aimed at stamping out the provision of out-door relief, and of unnecessary relief to able-bodied persons. This was the principal evil of the time, but the Commissioners left untouched the question of the infirm and indigent poor, which had to be tackled later.

Supervision over Poor Law administration was given later in the century to the Local Government Board, and transferred in 1918 to the Ministry of Health. Efforts have been made to deal with the able-bodied poor by means of municipal relief works and Labour Exchanges. Relief works are found to be not much use in practice, because they attract casual labourers and are very expensive. A great difficulty was found in the entrance of boys into blind-alley occupations, and attempts to deal with this were made by Juvenile Labour Exchanges, Continuation Schools, and After-Care Committees. Vagrants are now separated from the ordinary inmates of a workhouse and put in the Casual Ward. Children are sent to cottage homes or barrack or industrial schools. The treatment is not very successful, as parents take their children away again to a life of vagrancy. A proposal has been made to take vagrancy out of the sphere of the Poor Law authorities and hand it over to

the police. The aged and sick are now separated from other occupants of a workhouse. An attempt was made to solve some of the problems raised by the aged poor by granting pensions to old people in 1908, but this has only partially relieved the situation, as the pensions, while costing the State a good deal, are not really adequate.

The number of persons in receipt of Poor Relief slowly decreased between 1850 and 1918. As the population was increasing during this period, this shows that the problem of pauperism was becoming less urgent. Since 1918, however, the industrial depression caused by the war has seriously sent up again the numbers of paupers and unemployed, and there are various proposals in hand for reforming our present administration of relief. Very large sums have been expended for this purpose; but until the resuscitation of trade on a large scale takes place—and this is entirely dependent on the development of pacific international relations—the distress is unfortunately likely to continue and increase.

SECTION IV
ECONOMIC CONDITIONS

ECONOMIC CONDITIONS

INTRODUCTORY

In so far as figures are to be regarded as an index of prosperity, Great Britain had never been in better case than on the eve of the outbreak of the Great War. In 1913 the output of coal and iron ore, of steel ingots and iron bars, of tin and salt reached heights unprecedented ; the tonnage of merchant shipping to leave the slips was the greatest ever recorded ; while the values of imports and exports alike exceeded the averages for the previous five years by a hundred million pounds. Nor did the first half of 1914 show any serious diminution of industrial and commercial activity. Though faced with the ever keener rivalry of Germany, the United States, and Japan, England could justly claim pride of place among the trading nations.

Then came the war, and the economic health of the country was put to a test of unparalleled severity. For the first time it was possible truly to gauge the advantages and disadvantages, in relation not merely to national prosperity but to national security, of that process which in the course of a century and a half had transformed an agricultural, almost self-supporting England into an industrial State deriving its riches from its foreign trade, and content, so long as it could supply the markets of the world with the produce of its factories, to depend for little less than half its necessary food supply on purchases from overseas.

At first, induced perhaps by the arrogance of wealth, there was a widespread belief that not even a war so tremendous as that on which we had embarked was likely to prove could affect to any serious extent the established course of our commerce. One remembers, almost like words heard in a dream, the cry of " business as usual " which for a little while charmed the ears of a trading community. It was not long, however, before the vanity of that phrase was made manifest. It became abundantly clear that business was not to be as usual while war lasted, and more than doubtful whether the restoration of peace would be the herald of anything like an immediate return to the old conditions. And now, nearly five years

after the signature of the peace, there seems room to wonder whether talk of " a return to pre-war conditions " is not just as illusory as the wartime cry of " business as usual." That a new norm will sooner or later be established is certain ; but whether it will be even approximately equivalent to the old norm, whether it will not imply some large and permanent changes in values and ratios, is more open to question.

Meanwhile the war had to be waged, and little by little that paramount necessity absorbed the energies and modified the ways of life of the entire country. It was then, as has already been said, that the virtues and vices of the special structure of our economy were brought into searching light. On the one hand our great wealth, the fruit of our great trade, became the sinews of war, not only for ourselves but for our allies : as in earlier wars, but on a scale which dwarfed every such previous occasion, we constituted ourselves the paymasters of Europe. One after another our industrial organisations, coming more and more completely under State control, were turned to warlike purposes ; our factories became arsenals ; and our ploughshares were hammered into swords. It is no detraction from the gallantry of the Allied armies to say that without the resources in money and material which we were able to put at the disposal of the common cause, the issue of the conflict must have been doubtful indeed.

On the other hand the disadvantages, in a war fought as relentlessly by sea as by land, of the inability of an island State to feed itself were soon apparent. The expenditure of large sums on imports, at a time when our exports were inevitably declining, was a drain of wealth which could ill be afforded ; while not only had large numbers of merchant ships, which might have been put to uses more directly belligerent, to be reserved for the purpose of bringing us our food, but many ships of war had also to be employed as convoys to ensure their safety. Nor, even so, was that safety by any means assured. As Germany, checked on the surface of the sea, developed her activities beneath it with ever greater intensity, the wastage of our merchant shipping grew so enormous that its sufficient replacement became a matter of acute and harassing difficulty, and the reduction of the country to a condition of starvation was seen to be by no means so fantastic an improbability as all but the most prescient had been wont to suppose it.

For this distressing state of affairs the shortcomings of British agriculture were in the main responsible.

I

AGRICULTURE, FORESTRY, AND FISHERIES

Agriculture

Those shortcomings are inherent neither in the climate nor the soil of the country. Though the agricultural history of England is a record of curious fluctuations, marked by a recurrent tendency to prefer sheep to corn, in its best periods a very high level of production and science has been reached, a level which in the case of stock-rearing is still maintained.

"Great individuality and considerable variety" have been named as the characteristics of British agriculture;[1] and they are due to the remarkable diversities of soil, altitude, climate, and rainfall to be found within a comparatively small area. Generally speaking, crops predominate in the south and east of England and in the low-lying coastland of eastern Scotland, where the climatic conditions are continental, with low rainfall and a high summer temperature; while in northern and western England, in Wales, the Scottish highlands, and Ireland, with their moist, oceanic climate, heavy rainfall, and equable temperature, flocks and herds are mainly reared.

The best *wheat* is grown in East Anglia, the Fens, and the Thames Valley; while *barley* principally flourishes in the English midlands and on the coastal sill and along the river valleys of eastern Scotland: hence the breweries of Burton-on-Trent and the whisky distilleries of Elgin and Banff. *Oats*, content with a poorer soil and a more humid air than wheat or barley, are the most extensively planted and widely distributed of all the cereals, being profitably cultivated even on the lower levels of the Atlantic seaboard in Scotland, Wales, and Ireland. *Rye*, which at one time was an important British crop, is now little grown, though under the artificial stimulus of war conditions the acreage was considerably increased.

The chief root crops are *potatoes* and *turnips*, of which the former still constitute the staple diet of a great part of Ireland. In Scotland they are most largely grown in the rich lands of Strathmore and the Lothians (whence come the famous Dunbar Reds), and in Ayrshire; in England—in Yorkshire, Lincolnshire, South Lancashire and Cheshire, and also in Surrey and Kent. The principal turnip crops are cultivated in East Anglia

[1] *Oxford Survey of the British Empire*, vol. i. (The British Isles), p. 148.

and the Lothians, where, indeed, every description of farming has been brought to the highest pitch of excellence.

Profitable *fruit*-growing is naturally confined to regions of rich soil and sheltered position. These lie mainly in the south of England, the most fertile of them being the Weald—as famous for its *hop*-gardens as for its orchards—the vale of the Severn, and the lowlands between Dartmoor and Exmoor. Scotland, however, has in the Carse of Gowrie, between the Sidlaw Hills and the Firth of Tay, a circumscribed but singularly favoured fruit-growing district, which supplies the jam factories of Dundee.

The finest *pasture*-land in England is the great midland plain which stretches from the southern slopes of the Pennines to the Thames Valley, and here both *dairy*-farming and the fattening of store *cattle* from Ireland are carried on. Dairy-farming is also an important industry in the valleys of the west, from Cumberland to Cornwall, and in south-western Ireland; while the plains of Meath are famous grazing-land. The herds of Wales and Scotland, with the exception of the well-known dairy breeds of Ayrshire, yield little milk but excellent beef, Shorthorns having been brought to unrivalled perfection in the Aberdeenshire lowlands, which are also the original home of the favourite Aberdeen-Angus breed.

Sheep are characteristic of, though of course not confined to, the upland pastures: the Cheviots, the fells of the Lake Country and the Yorkshire moors, the wolds of Yorkshire and Lincolnshire, the Cotswolds, the Chilterns, and the chalk downs which span the southern shires from Wiltshire into Sussex and Kent. The maritime marshes of Kent and Sussex carry a famous breed of long-woolled sheep supposed to be of Flemish origin, while the flocks of the Welsh mountains, of Radnor and Clun Forests and of the South Downs are highly esteemed for the quality of the mutton which they furnish.

Pigs are kept in large numbers in Ireland, but in Scotland not to any great extent; in England those of the finest quality are reared in Berkshire, Wiltshire, and Cumberland. Clydesdale in Scotland, North Yorkshire and the neighbourhood of Peterborough in England, and the plains of Connaught in Ireland are the chief centres of *horse*-breeding.

Though the number of animals to the acre is considerably less than in other countries of Western Europe, where agriculture is more highly organised, the *live-stock* industry of the British Isles may be said, on the whole, to be in a healthy condition. Nowhere else has the breeding of animals been

W. & A. K. Johnston, Limited

DISTRIBUTION OF FOOD RESOURCES, ETC.

brought to so fine an art. English thoroughbreds, Shorthorns, and Southdowns have been introduced into every part of the world. On the great sheep-farms and cattle-ranches of America and Australia the flocks and herds are all either of British origin or, if indigenous, have been improved by crossing with British stock. The export of pedigree sires is an important part of the industry, though at present it is suffering seriously from the world-wide economic havoc wrought by the war.

That large quantities of meat and other animal products—wool and hides, dairy produce, oils and fats—should have to be imported is inevitable in the case of a country where the population, in proportion to the potential agricultural area, is so great as it is in England. Returns covering nearly fifty years show that while the numbers of sheep, pigs, and horses have remained practically stationary during that period, the number of cattle has been steadily, if gradually, increasing. It is true that the low prices which have ruled since the industrial depression of 1920 and 1921 have been responsible for a considerable reduction in the numbers of cattle and sheep, but there seems no reason to suppose that the decline will not be arrested by the return of more favourable conditions.

It is by its ploughlands rather than its pastures, however, that a country's agricultural prosperity is to be judged. In a sense the one may be said to comprise the other, for not only is arable farming of infinitely more importance than stock-rearing from the point of view of the employment of labour, but it has been calculated that an acre of land under crops used as fodder produces three times as much meat or milk as the same land under grass. And for the last fifty years arable farming in the British Isles has been a decadent industry.

During the previous half-century the development of transport facilities, the discovery of new fertilisers, and improvements in machinery and drainage had seemed to point to a rosy future ; but the general depression of the early 1870's betrayed the fundamental weakness of the agricultural position. While other industries recovered, the unprotected farmer found his market ruined by the increasing importation of cheaply-produced American grain. Prices fell steadily, and with them the letting value of land. A series of bad harvests, and widespread epidemics of rot among the sheep and foot-and-mouth disease among the cattle, added to his difficulties. Labour became scarce : the lure of the towns, the prospects which they offered

of higher wages and a livelier mode of existence, began to empty the country-side. The problem of re-peopling it is one which has exercised countless social reformers, but Sir Henry Rider Haggard, who has made a close study of English agricultural conditions, would ascribe the rural exodus to human rather than to purely economic causes. "The Englishman," he has lately written, "is by blood and taste a trader, a traveller, a fighting man; all, indeed, that goes to make what is known as an adventurer, rather than a home-making land-lover like a Dutchman or a Dane." Be that as it may, between 1871 and 1901 the agricultural population of England and Wales shrank by about 25 per cent., from 1,269,371 to 951,674.

At the same time the acreage under crops was growing steadily less. In 1875 the area planted with the three principal cereals was nearly 10,500,000 acres. By 1913 it had fallen to 7,700,000. While all three crops were affected, it was in the case of wheat that the shrinkage was most marked. In 1877 the wheat-sown area in the United Kingdom was over 3,300,000 acres. In 1904 it was only 1,400,000 acres; and though, during the decade before the war, there was a fluctuating tendency towards recovery, there was no approach to the old figures. Just under 1,800,000 acres carried wheat crops in 1913; and only one-fifth part of the country's consumption of wheat was produced at home. Nor, while the acreage has diminished, has the yield per acre (which for wheat averages about 32 bushels) been increased, as it has, for instance, in Denmark, by improved methods of cultivation.

When the country found itself at war, the evils of this neglect were quickly demonstrated. At first no positive remedy was sought: the menace of a food shortage was to be met rather by reduced consumption than by increased production. At the same time, the farmers were exhorted to put as much land as possible under the plough, and by 1917 the area carrying corn had been augmented by about a million acres. But this was far from representing the output of home-grown food-stuffs which was calculated by experts to be necessary for security. In April 1917, therefore, the Government introduced, and carried by a large majority, a Corn Production Bill, which guaranteed a minimum price for wheat and oats and a minimum wage for agricultural labour, and gave to the Board of Agriculture powers to enforce adequate cultivation and take possession of unoccupied land. The effects of this measure can be shown most clearly by means of a table.

	Wheat		Barley		Oats	
	Area (1,000 acres)	Yield (1,000 bushels)	Area (1,000 acres)	Yield (1,000 bushels)	Area (1,000 acres)	Yield (1,000 bushels)
1916	2,054	59,775	1,653	52,900	4,171	170,670
1917	2,106	64,333	1,797	57,749	4,789	208,167
1918	2,796	93,144	1,839	62,080	5,631	249,568
1919	2,372	69,320	1,871	57,704	5,144	203,960
1920	1,979	56,832	2,048	65,688	4,630	180,872
1921	2,084	73,200	1,782	54,096	4,413	164,664

It will be seen that in 1917, the year in which the Corn Production Bill became law, the figures for all three crops, but especially for wheat and oats, which were protected by the minimum-price guarantee, showed a marked improvement on those for the previous year; and that in 1918 the improvement was still more marked. No sooner had the armistice been signed, however, than the reaction set in, and the returns for 1920 were little, if any, better than the pre-war average. Barley, it is true, maintained for one year longer its steady improvement, but in 1921 the ground which it had gained since 1916 was more than lost. The wheat harvest of 1921 was, on the other hand, an excellent one, the average yield to the acre (35·4 bushels) being the highest recorded during the present century. But there were no signs of a permanent revival; and in October of that year agriculture was bereft of the protection which had been given to it by the Corn Production Act.

It had been originally intended that that measure should be no mere war-time expedient, but should mark the inauguration of a permanent policy of State encouragement of agriculture; and in 1920 an Act was passed to give effect to this intention. Eighteen months later, however, it was repealed in the interests of economy; and the farmer found himself, with a bad market and heavy costs, a good deal worse off than he had been before the war.

How unhappy his position had become was clearly demonstrated by the strike of Norfolk agricultural labourers in April 1923. In the finest farming district in England the farmer, with the best will in the world, could only pay his employees a wage on which, with the best will in the world, they were unable to maintain a decent existence. The immediate result of this strike was a reduction of railway freights for agricultural pro-

duce and machinery; while a reduction of the agricultural rate and an import duty on malted barley are also in contemplation. The efficiency of these remedies, or of such of them as may materialise, remains to be seen. Meanwhile, three-quarters of the land which the stimulus of the war brought under the plough has already reverted to grass.

Forestry

According to the Census of Production of 1908, there were just over 3,000,000 acres of woodland in the British Isles; of which nearly two-thirds lay in England and Wales, 875,000 acres in Scotland, and 300,000 acres in Ireland. The annual production was valued at £800,000. In comparison, however, with the value of timber imported on the one hand, and with the potential domestic production on the other, these were very insignificant figures; for the imports at this time reached an average annual value of over £25,000,000, and a departmental committee had reported in 1903 that there were no less than 21,000,000 acres of waste or otherwise unprofitable land in the Kingdom suitable for afforestation. In 1910 a Royal Commission, appointed four years previously to consider the question in conjunction with the reclamation of tidal lands and the problems arising from coast erosion, made an *interim* report in terms favourable to the development of the home-grown timber supply. As with wheat, however, the war was necessary fully to demonstrate the dangers implicit in our almost total dependence on importation. The immediate result of the war was a greatly increased demand for timber and a rapid diminution of the available quantity, accompanied by an enormous advance in the price, of foreign wood: by 1917 the annual imports, which had normally been about 10,000,000 loads, had fallen to less then 3,000,000.

The situation was met by the creation of a Timber Supply Department, the activity and fortunes of which are briefly but vividly described in the Third Annual Report of the Forestry Commissioners. "Hurriedly extemporised in 1915 as the Home-grown Timber Committee, when the demand for timber for war purposes was daily increasing, and tonnage becoming daily scarcer, transferred in turn from the Board of Agriculture to the War Office, and then to the Board of Trade, working without any trained staff or survey of standing timber, dependent to a large extent on C.3 military labour and aliens imported from Portugal and Finland, often required at a moment's notice

to double the amount or transform the character of its output, the failure of this department on its financial side provides, in fact, the strongest possible argument for an organised forest service. The timber required to carry on the war had to be obtained at any cost, and considerations of profit and loss were not allowed to interfere with output." Thus the requisite timber was indeed obtained, but at the cost of a huge expenditure and of a destruction of woodland counterbalanced by no commensurate replanting.

The whole question was considered by a forestry sub-committee of the Reconstruction Committee appointed in 1916; which recommended a programme of afforestation to extend over eighty years and deal with 1,770,000 acres of unplanted land. The result was the Forestry Act of 1919, and the appointment of a Forestry Commission to carry out, as far as possible, the suggested policy, the bases of which, in the words of the report already quoted, were the following "four fundamental considerations": "(1) The depletion of the home woods in which practically all the reserves of mature coniferous timber have been felled, while most owners are unable to face the cost of replanting. (2) The depletion of the world's virgin forests which is already causing grave concern to countries far better supplied with timber than the United Kingdom. (3) The provision of the reserves of standing timber shown to be essential for national defence. (4) Afforestation is the only effective means of developing some 4,000,000 acres of waste land in the United Kingdom capable of growing excellent timber but of limited utility for any other purpose." According to the initial programme, 150,000 acres were to be afforested by the Commission in the course of ten years, while private owners were to be assisted to plant or replant 100,000 acres more.

The Commission commenced operations towards the end of 1919. It was menaced with destruction by the Committee on National Expenditure, and, though the fatal "axe" was not applied to its still tender roots, its grant has been temporarily reduced. Nevertheless, it has already done good work. Up to April 1923 about 100,000 acres of plantable land had been acquired by purchase or on lease, and about 25,000 acres planted; while substantial assistance had been rendered to private landowners and local authorities. Further, a complete survey of the woodlands of Great Britain, including the classification of the timber, is in progress and is expected to be finished in 1924.

Fisheries

The fishing-grounds visited by British boats extend from the White Sea in the north to the coast of Morocco in the south, and to the Rockall Bank, lying some 250 miles to the west of the Outer Hebrides, in the west. The use of steam-trawlers and drifters, the numbers of which have increased from under 1,500 at the beginning of the twentieth century to nearly 8,000 at the present time, has greatly extended the possible area of activity, which may now be reckoned roughly at 1,000,000 square miles, sometimes divided, for purposes of statistical convenience, into the home, northern, and southern regions.

The first of these regions comprises the North Sea (by far the most important of all the fishing-grounds, along the coast of which, from Aberdeen to London, nearly all the great fishing-ports of the Kingdom are to be found), the Irish Sea, the Bristol and English Channels, and the shallow waters to the west of Scotland and Ireland. Of the demersal, or bottom-living, fish taken by trawling in these fisheries the most numerous are *haddock*, the principal catch in the North Sea; *cod*, also fairly abundant in the North Sea and characteristic of western Scotland; *hake*, principally found in the Irish waters; *skates* and *rays*, the commonest fish in the Bristol and English Channels; *plaice* and *whiting*. More abundant than any of these, however, and the most valuable of all fish brought to the British market, is the *herring*, a pelagic or surface-living fish, mainly caught by means of drift-nets, though to some extent also by trawling. It is found in the largest quantities along the east coast, from Norfolk up to the Shetlands. Other pelagic fishes are the *sprat*, caught on the south-eastern and north-western coasts of England and in the Firth of Forth and the Moray Firth; the *pilchard*, fishing for which is an important Cornish industry; and the *mackerel*, which occurs in the English Channel, the Irish Sea, and off western Ireland.

To the northern region belong the waters round the north of Scotland, the Rockall, Faeroe, and Iceland banks, and the Barents Sea at the mouth of the White Sea, by the name of which it is usually known among the fishermen. In the Barents Sea plaice form 80 per cent. of the catch; in all the other districts the gadoid fishes, cod, haddock, and *ling*, are most abundant.

The characteristic fish of all the grounds of the southern region, which includes the southern Irish waters, the Bay of

Biscay, and the coastal waters of Portugal and Morocco, is the hake, which accounts for more than half the total catch. *Bream*, skates, and rays are also taken; and off Portugal and Morocco *soles* are fairly plentiful.

In the years immediately preceding the war the yearly catch of all fish (excluding shell-fish) amounted to over 1,000,000 tons, with a value of about £11,500,000. These figures, to which herring, haddock, cod, and plaice were the chief contributors, marked the culmination of the development due to the introduction of steam-driven fishing-boats. Nevertheless, that development brought with it certain disadvantages. In the first place it resulted in the over-fishing and consequent depletion of certain areas, notably in the North Sea, where between 1903 and 1913 the average daily catch of a single boat was reduced by nearly two hundredweights. In the second place the small fishermen, with their privately owned sailing-boats, found it impossible to compete with the steam-fleets of the large companies into whose hands the industry was inevitably falling. They were obliged therefore to restrict their efforts to in-shore fishing, and though, under the Development Act of 1909, something was done for their protection and encouragement, their position was a precarious one and their numbers diminished. "During the war," however, "the in-shore fisherman found himself in a comparatively advantageous position, as the high price of coal made steam-fishing less profitable. Further, the off-shore trawling grounds were mostly closed, and the majority of the steam-trawlers and drifters were on war-service. For the time being, therefore, in-shore fishing with smacks was placed at an advantage." [1]

While that advantage has now been lost to the in-shore fisherman, his deep-sea rival has not yet recovered his old position. Though the fishing-grounds are open once more, and probably, in some cases, more fruitful than ever for their fallow years, the market for the harvest has become much restricted. More than half the catch, including five-sixths of the herrings, used to be exported, and the principal purchasers were Germany, Russia, and Poland. But the state of the exchange has made it impossible for these countries to buy at prices at which the British merchant could sell with profit. Consequently, while prices, though falling, are still far higher than before the war—the 900,000 tons caught in 1922 being valued at £18,000,000 as against £14,000,000 for the 1,200,000 tons of 1913—a plentiful catch is apt to mean a

[1] W. E. Gibbs, *The Fishing Industry*, 1922, p. 12.

glutted market and a lamentable wastage of valuable food. If these conditions continue, it is inevitable that the fisherman should desert the sea as the agricultural labourer is deserting the land.

II

MINING

Coal.—"The history of the industrial revolution in Britain, which changed the poor agricultural State of the eighteenth century into the comparatively wealthy Britain of the nineteenth century," said a witness who gave evidence before the Coal Industry Commission in 1919, "is also the history of our coal industry. . . . Coal is not only the greatest practical source of power yet known to science, but, as was pointed out by Jevons, it acts as a magnet to raw materials because its bulk and weight make it most economically used at or near its place of production. Hence Britain, a small island with good ports, is an ideal workshop, since materials can readily be brought to its coal-power. But the potency of coal in the national economy goes further: it is also the source of our shipping greatness, since it furnishes bulky outward cargoes to balance our bulky imports of food and materials, thus enabling our ships to earn money both inwards and outwards. But for coal, our ships would largely go out in ballast, since, although our exports of manufactures are great, their bulk or weight for value is comparatively small. Thus production, ample supplies of cheap materials, and shipping are alike seen to be based on our coal-mines."

The part played by coal in our national economy could hardly be better summarised. Not only is coal a source of wealth in itself, but it is the most potent element in the creation of other sources. Moreover, it is a determining factor in industrial geography, and therefore in the distribution of population. The cotton-mills of Lancashire and the wool-mills of Yorkshire, the potteries of Staffordshire and the shipyards of the Clyde, all owe their particular localisation largely to their proximity to the great coal-fields. Coal is the magnet which has shifted England's centre of commercial gravity from the south and east to the north and west.

According to the report, issued in 1905, of the Royal Commission on Coal Supplies appointed in 1901, the coal at that time unworked lying at a depth of less than 4,000 feet below the surface in the proved fields of the United Kingdom

amounted to just over 100,000,000,000 tons, of which more than a quarter was in South Wales and Monmouthshire, nearly 20,000,000,000 tons in Yorkshire, and 15,500,000,000 in Scotland. It was also estimated that in unproved and concealed fields there were, within the same limit of depth, nearly 40,000,000,000 tons. Since these calculations were made, about 5,000,000,000 tons have been raised; the average annual output, during the decade before the war, being about 260,000,000 tons, with a "progress tendency" of 5·6 million tons yearly. The problem of the duration of the coal supply, however, is not one which can be solved by mathematics alone: there are too many incalculable elements to be taken into consideration, most notably the development of the use of other forms of fuel. But it is a problem which will sooner or later have to be faced, not only by Great Britain, but by all the coal-producing countries of the world.

The English and Welsh coal-fields may be divided into three groups: northern, midland, and southern. The first comprises the rich fields of Northumberland and Durham, which are supposed to be workable for three miles under the bed of the North Sea, and a smaller area in Cumberland. In the second group are included the series of fields which lie on either side of the Pennines, from Lancashire and Yorkshire in the north to the Forest of Wyre, South Staffordshire and Warwickshire in the south. Of these the most important are the great Yorkshire and Derbyshire fields, which are not only the largest in the kingdom, but are calculated to extend to the eastwards over an area of 3,000 square miles not yet worked. The third, or southern group, consists of the fields of South Wales and Monmouthshire, second in area only to those of Yorkshire, and of which the Forest of Dean is an outlier, together with the smaller fields in Gloucestershire, Somersetshire, and Kent.

In Scotland there is a line of coal-fields spanning the lowland plain from the Firth of Clyde to the Firth of Forth, the most productive centre of the industry being in Lanarkshire. The coal output of Ireland is of no great importance, the fields being small, scattered, and at considerable distances from the sea.

As already stated, the average annual production before the war was 260,000,000 tons, the value of which was about £120,000,000. Nearly a quarter of this amount was exported, and a further 7 per cent. (steam coal from South Wales) was used by ships engaged in foreign trade; the rest being consumed at home. In 1913 the output reached the record figure of 287,000,000 tons, valued at £145,500,000.

The war stemmed the tide of progress, bringing in its stead an era of decreased production and diminishing labour supply, of disorganised demand and distribution under difficulties, of rising costs, rising wages, and soaring prices. When, in 1916, the mines were taken under Government control, the laws of normal economy gave place, here as elsewhere, to the law of the necessity of the moment; and the removal of that control in April 1921, five months earlier than had originally been proposed and at a time of acute depression, left the industry "in a completely artificial and disorganised state." [1] The immediate consequence of decontrol was a general strike of miners which lasted for three months.

On the resumption of work, however, progress towards recovery was remarkably rapid. If the output of coal for the whole year (164,000,000 tons) was the lowest recorded since 1887, between July and December much was done, by a reduction of prices which spelled a sacrifice of profits on the part of the owners and of wages on the part of the men, to recover lost markets at home and abroad. In 1922 the output rose to 252,000,000 tons, and though so high a total would hardly have been reached without the special stimuli of the shortage in Germany and the miners' strike in America, it was the opinion of experts that by the end of the year the industry was once more on a sound economic footing and that its prospects were promising.

Iron, the most important metal and the second most important mineral worked in Great Britain, is found for the most part in close proximity to the coal-fields; and it is to this fortunate circumstance, coupled with the fact that the richest deposits of both minerals lie within easy reach of seaports or navigable rivers, that the smelting industry and the numerous manufactures of which iron is the basic constituent owe their prosperous development. There are valuable deposits of iron in South Wales, one of the principal smelting-centres, and in the Forest of Dean, but otherwise mining is confined almost entirely to northern and midland England and southern Scotland. The largest and most productive bed is that situated in the Cleveland district of Yorkshire, which covers an area of 350 square miles, reaches in places a thickness of 15 feet, and furnishes about 40 per cent. of the total output of the country. Other important beds are in the counties of Lincoln, Northampton, Rutland, Leicester, and Stafford. These, like those of Cleveland and South Wales, yield phosphoric ore; while in

[1] *The Times*, January 30, 1923.

Cumberland and North Lancashire hæmatite is obtained. In Scotland iron is obtained in the neighbourhood of the Ayrshire, Renfrew, and Lanark coal-fields, and a bed has recently been discovered in the island of Bute. County Antrim has smallish deposits which constitute the chief mineral wealth of Ireland. According to an estimate of the world's iron resources presented to the Swedish Parliament in 1905, the workable deposits of the British Islands amounted at that date to 1,000,000,000 tons.

Before the war the annual production of ore averaged about 15,000,000 tons, with a value of nearly £4,500,000. In 1913 a total of nearly 16,000,000 tons was reached, but the next three years saw a progressive decline, and though 1917 and 1918 witnessed a return to something like the old figures, in 1919 the output was only 12,250,000 tons. This was exceeded by nearly 500,000 tons in the following year, when, with prices at their highest level, the value fell little short of £10,000,000, or considerably more than double that of the much greater output of 1913. In the black year 1921 production dropped to less than 3,500,000 tons, and its value to £2,200,000.

In normal years there has been an import of raw iron equal to just half the domestic output, but naturally in the period of rapid fluctuations through which trade has lately been passing this proportion has not remained constant. The quantity of ore exported is insignificant.

Non-ferrous Metals.—Compared with iron the other metals obtained in the British Isles are of very small importance, and in several instances they show a declining output. In 1860, for instance, the production of *copper* was the second largest in the world, amounting to 16,000 tons. By the end of the nineteenth century not a twentieth part of that amount was being obtained, and though considerably higher figures have since been reached, notably in 1913 and 1914, in both of which years over 2,500 tons were produced, the industry has little present significance and probably no future: in 1920 the output was only 81 tons of ore and 194 tons of precipitate.

Tin, again, which has been mined in Cornwall from time immemorial, has ceased to be the profitable commodity which it once was. Its great period was between 1860 and 1890, when there was an annual production of from 10,000 to nearly 15,000 tons. Then came a fall in the value of the metal, and at the same time, the more accessible deposits having been exhausted and the ore having to be sought at a greater depth below the surface, a rise in the cost of extraction. In the first years of the present century the average annual output was

little more than 4,000 tons, and though there was subsequently a partial recovery, this was interrupted by the war and the shortage of labour and other difficulties which it entailed. Rather under 5,000 tons of ore were produced in 1920; in 1921 barely 1,000.

Much the same story is to be told of *lead*, the mining of which is another very ancient British industry. Many mines have been worked out, and in those that are still open operations become more and more expensive. For half a century the decline of output has gone on steadily, dropping from 91,000 tons in 1863 to 24,000 in 1913, 15,000 in 1920, and under 7,000 in 1921. Nevertheless, given conditions sufficiently favourable to warrant the prosecution of expensive operations, there is no reason why either tin- or lead-mining should be numbered among the extinct industries. Valuable deposits of both metals are believed to exist: of tin in the Camborne-Redruth district of Cornwall; of lead in the "Great Limestone" beds of northern England, in Flintshire, and possibly in Shropshire, Cardiganshire, and Montgomeryshire. All these areas, so far as they have at present been mined, are approaching exhaustion; and what is necessary is that the ore should be sought at lower levels than hitherto, or in places which the geological conformation or the presence of water renders difficult of access.

Zinc, which occurs mainly in the form of blende (sulphide of zinc), or in miners' phraseology "Black Jack," is found in association with lead. Until the middle of the nineteenth century it was regarded as a waste product, but its value was then recognised, and for many years there was a small but constant output, averaging about 3,000 tons. This rose during the first decade of the nineteenth century to 7,000 tons and in 1913 reached 17,000 tons, only to suffer the common fate during the war years and reach a *nadir* in 1920.

Among other metals occurring in various parts of the kingdom are: *manganese*, found in Derbyshire, Somerset, and Merionethshire, the highest output of which, 17,500 tons, was recorded in 1918; *tungsten* (wolfram and scheelite), an associate of tin, the production of which was encouraged during the war but has not yet been established as a profitable industry; *arsenic* (arsenical pyrites or mispickel), also found in the Cornish tin mines; *barytes*, a by-product of lead- and zinc-mining—another mineral which, once regarded as of no account, holds out possibilities of future development. The production of barium compounds (barytes and witherite),

which was 50,000 tons in 1913, from 1915 to 1920 never fell below 60,000 tons, and experiments in refining the raw material are now being carried out. *Gold* has been found in Merionethshire, and the lead mined in Wales and the "Great Limestone" frequently contains *silver*; but neither precious metal exists in payable quantities.

Non-metallic Minerals.—The best *building stone* is quarried at Portland, in the Cotswolds, in Derbyshire, North Yorkshire, and the southern uplands of Scotland; *slate* in North Wales, in Cumberland and Westmorland, and on the Grampian Hills; *granite* in Aberdeenshire, Cumberland, Cornwall, and Devon. *Clay* for brick-making is found in the Thames Valley and the eastern counties, pottery clay in the south-west. A certain amount of *marble* is obtained in Derbyshire, Devon, and Kilkenny. *Chalk* is quarried in Kent and used in the manufacture of Portland cement.

The *limestone* which lies in the neighbourhood of the coal- and iron-mines is largely used in smelting, and the *fluorspar* of Derbyshire and Durham has a commercial value as a flux.

Salt, of which the annual production is about 2,000,000 tons, comes mainly from Cheshire, Nantwich, Northwich, and Middlewich being the centres of the industry.

Oil shale occurs in the counties of Edinburgh and Linlithgow. The yield is 25 gallons of oil to every ton of shale, and the annual output averages a little under 3,000,000 tons. A few years ago considerable sinking operations were undertaken in Derbyshire and North Staffordshire, where the presence of petroleum had been discovered; but the hopes of the prospectors have unfortunately not been realised.

III

IRON AND STEEL MANUFACTURES

The iron-mines of England and Scotland form the nucleus of a vast group of industries which, starting from the pig-iron furnaces, ramifies into innumerable branches ranging from the construction of battle-ships to the manufacture of pocket-knives. In so brief a review as the present it is impossible to do more than indicate the principal features of this complex organism, and to trace the general trend of its recent fortunes.

In the years before the war the annual production of pig-iron amounted to about 10,000,000 tons. Rather more than

half of this was made from imported ore, most of which came from Spain, though a certain quantity came from Sweden. The value of the total output was well over £30,000,000. The production of steel in 1913 was 7,663,000 tons; and of pig-iron and steel combined rather more than a quarter was exported: the rest, together with the comparatively small import, being used at home in the various manufactures of which iron or steel is the sole or main constituent.

The nature, value, and relative importance of those manufactures will be seen from the following table. The figures, which are taken from the Census of Production of 1907, represent the total output, whether exported or retained in the country. It will, of course, be realised that they do not show quite accurately the state of affairs at present, or, to make a more useful comparison, on the eve of the war; for, apart from the normal all-round increase to be expected in a period of six years, advance was more rapid in some branches—notably, for instance, in the motor industry—than it was in others.

Manufacture	Value £
Steam engines	12,708,000
Machinery, other than electrical	38,583,000
Electrical goods, machinery, cables, etc.	15,210,000
Shipping:	
War vessels	3,512,000
Steam-ships: hulls and fittings	19,388,000
Steam-ships: machinery	8,040,000
Sailing-vessels and boats	767,000
Motor-cars, motor-cycles, and chassis	4,321,000
Cycles	3,441,000
Cycle and motor parts	3,144,000
Railroad iron and steel	7,283,000
Pipes and fittings	2,019,000
Galvanised sheets	7,157,000
Tinned plates	7,402,000
Wire and wire manufactures	4,845,000
Bolts and nuts	1,979,000
Screws and rivets	1,817,000
Grates and ranges	2,053,000
Hardware, etc.	2,602,000
Tinplate and japanned goods	3,229,000
Cutlery	1,527,000
Tools and implements	5,250,000

The total value of semi-manufactured goods (pig-iron, steel ingots, plates, tubes, etc.) and of the manufactured goods comprised in the foregoing list, taken together, was estimated at a little less than £250,000,000; and in their production employment was found for 1,500,000 workers. Of this output goods to the value of £100,000,000 (semi-manufactured,

£19,000,000 ; manufactured, £81,000,000) were exported ; and there was an import of similar goods amounting to £17,750,000.

Important as it is in times of peace, the war, with its enormous demand for shells, aeroplane parts, and other specialised products, gave the industry a new and peculiar importance. The demand had to be met in the face of a greatly decreased importation of foreign ore, which fell from 7,500,000 tons in 1913 to 5,700,000 in 1914, and, though in subsequent years there was considerable improvement, never again reached the pre-war figure. At first the deficiency could be met from reserve stocks in the country, but by the middle of 1916 these had been practically exhausted, and it was necessary to seek new sources of supply. The situation, and the manner in which it was dealt with, cannot be better described than in the words of one who, as a member of the Iron and Steel Production Department of the Ministry of Munitions, was intimately connected with the solution of the problem.

"The demand for steel for munitions and for shipbuilding was growing rapidly, while the supply of raw materials essential for its manufacture was, by the activity of the enemy submarines, threatened with curtailment, if not with complete suspension, so far as foreign sources were concerned. But the substitution of a lean phosphoric ironstone, such as constitutes the main portion of British iron-ores, for the rich ores imported from abroad, involved such sweeping changes in plant, supplies, inland transport, labour, etc., that it could only have been carried out with difficulty even in peace time. . . . It is a remarkable tribute to the latent organising power of the nation that, under the adverse conditions of a great war, it should have been possible to raise the steel production of the country to the highest point it has ever reached in the history of the industry. Under the stress of necessity, raw materials that had been allowed to lie dormant in this country were rapidly developed and brought to the producing stage. Ironstone in Oxfordshire, coking coal in Scotland, ganister for silica-bricks, moulding sands for foundry work, and refractory sands for open-hearth furnace bottoms, are instances in point."[1]

This is no place for a detailed account of the great effort by which the supply of munitions was maintained. Suffice it to say that the work of organisation begun in the summer of 1916 had immediate effect. The production both of ore and pig-iron in 1917 was the highest since 1913 by many thousands

[1] F. H. Hatch, Ph.D., *The Iron and Steel Industry of the United Kingdom under War Conditions*, 1919, pp. v, vi.

W. & A. K. Johnston, Limited.

DISTRIBUTION OF MINERALS AND IRON INDUSTRIES.

of tons; while the steel output reached the record figure of 9,716,544 tons.

One permanent result of the war, apart from the opening-up of new domestic sources of raw material, was the increase, owing to the extension of works, of the steel-producing capacity of the country by 50 per cent. In spite, therefore, of the fact that a great deal of mechanical reconstruction was necessary to restore to its normal functions plant which had been converted to the special uses of war-time, the industry as a whole was ready, when peace came, to meet any demands that might be made upon it.

At first such demands were reasonably satisfactory. It is true that in 1919 the production of pig-iron and steel declined considerably, that of the former being the smallest recorded for twenty-five years. But manufactured goods were in request, and the shipyards were busy repairing the ravages wrought by the submarine campaign and preparing to cope with the requirements of a restored overseas trade.

In 1920 things looked even better. The output of pig-iron rose by 10 per cent., and would have been still larger but for the coal-miners' strike in the autumn; there was a steel output of 8,000,000 tons; while the new ships built amounted to 2,055,660 tons, 435,000 tons more than in 1919 and 143,330 tons more than in 1913.

The causes of this activity, as of the disastrous reaction which followed it, will be considered later in connection with the general movement of trade, on which, rather than on the internal conditions of the industry itself, they depended. The bare figures, however, have an eloquence of their own. In 1920 the average number of blast-furnaces operating was 284, as against 338 in 1913. In August, at the culmination of the boom, there were 303. By the end of the year the number had dropped to 274, by March 1921 to 109, and in June, as a result of three months of idleness in the coal-mines, only one furnace was in blast. The production of pig-iron in 1921—2,611,400 tons—was the lowest since 1850; that of steel, in contrast to the huge figures of the previous year, was only 3,625,800 tons. In the shipyards the output of new tonnage decreased by 25 per cent.

Even before the end of 1921, however, there were indications that the worst was over, and throughout 1922 there was a distinct tendency towards improvement. Prices became more stable, costs were lowered, trading prospects grew brighter: with the result that production, though still small, was appre-

ciably above the miserable level of 1921, by nearly 100 per cent. in the case of pig-iron and by more than 2,000,000 tons in the case of steel. The output of tonnage, it is true, was less than in 1921, not very much over 1,000,000 tons, but the deficiency was due to the dearth of orders in the early months of the year. Later, the yards were a good deal busier, and at the end of December 1,120,000 tons were under construction —an amount which, if a good deal below the pre-war average of 1,890,000 tons, at any rate indicated that the demand for ships was growing stronger.

A writer in *The Times*, surveying the progress of the iron and steel industry as a whole, described the year 1922, with a cautious optimism which seems nicely adjusted to the situation, as "not altogether barren of encouraging results."

IV

TEXTILES

THE textile industries, regarded as a homogeneous group, stand second only in the value of their production to the iron and steel group. In the Census of 1907 their total output was estimated to be worth between £231,000,000 and £234,000,000, of which cotton accounted for a little over £130,000,000, and wool for just half that sum. For centuries *wool* was the greatest source of wealth which England possessed, and the Flemish weavers, who settled first in East Anglia and made Norwich the second city in the Kingdom, gradually carried the trade north and west from the Border counties to Devon. It was in Yorkshire, however, that it became most firmly established and underwent the greatest development, and it is in the Yorkshire towns of Leeds and Bradford and Halifax that the industry has its present centres.

Although by far the greater proportion of woollens and worsteds is now made from imported wool, Great Britain still carries more sheep to the acre than any other country in the world. The actual number, which is estimated at 30,000,000, is only exceeded in lands of incomparably more extensive pastures, Australia, the Argentine Republic, the United States, Russia, the Ottoman Empire, and the Union of South Africa. During the five years immediately before the war the average annual clip was 131,800,000 lb., of which 36,300,000 lb. were exported, and 95,500,000 lb. retained for home consumption.

The imports, during the same period, of wool of all kinds amounted yearly to 824,200,000 lb., of which 318,600,000 lb. were re-exported. To the 505,600,000 lb. retained must be added 35,000,000 lb. of wool obtained from imported sheepskins and 206,400,000 lb. of pulled wool, or "shoddy," making, with the home-grown wool, a total quantity of 842,500,000 lb. available for consumption in the English mills. Of the imports, about two-thirds came from Australia; and Australia, New Zealand, and South Africa between them furnished three-quarters. Thus the British wool industry, though it has ceased to be domestic in the sense that it was so in the Middle Ages, is very largely self-contained within the Empire.

There were signs, however, in the early years of the present century that the industry was losing ground. Though the finest cloths were still produced in England, foreign competition was growing very keen, and the British manufacturer found himself confronted with an increasing importation of goods from the United States, France, and Germany; while in Australia there was arising a strong feeling that a more profitable use for the continent's immense wool supply might lie in the development of the manufacturing industry at home than in unlimited exportation. Other causes of decline were the substitution of flannelette and other cotton substitutes for woollen fabrics and certain changes which, reflecting a changed habit of life, have of late years taken place in sartorial custom.

"The appearance of the athletic girl towards the latter end of the nineteenth century," writes Mr. Frank Ormerod, in a passage which is really an illuminating contribution to social history, "brought about an alteration of the whole scheme of things sartorial, so far as ladies were concerned. When English maidens began to play hockey and golf, to develop their muscles in gymnasia, to shoot and fish and row, they found that the style of dress approved by their home-staying grandmothers was totally unsuitable. It was too bulky and too full of restraints. So the Leicester and Nottingham hosiers, seeing a rare opportunity held out to them, began to produce close-fitting knitted hosiery, which, while being warm and serviceable, allowed our Dianas to shed their great burdens of underclothes. The flannel petticoat was the first to go, and with it, of course, went the dowdiness inseparable to thick, heavy clothing. Penelope, seeing at a glance that her athletic sister's form had been distinctly accentuated and improved in the process, quickly adopted the new fashion in her own behalf, with the result that flannel lost to an enormous extent its

former popularity. Worsteds may have been hard hit by such a mode as that of the hobble-skirt, but that, of course, was only one of Fashion's passing vagaries, not an absolute revolution in dress, as was the case with the wearers of thick flannel petticoats fifteen or twenty years ago." [1] On the other hand, the same social tendency which spelled death to the flannel petticoat created a new demand for the lighter sorts of tweed and for knitted woollen garments; while the hosiery trade of Leicester and Scotland continued to thrive.

All prognostications, at any rate as to the immediate future of the industry, were stultified in 1914. After a preliminary period of uncertainty and consequent depression, the trade boomed; for it found itself called upon to clothe not only the British but also, at any rate to a large extent, the Allied armies. The wastage of khaki cloth was of course enormous, and here, as elsewhere, an increased demand for goods in conjunction with a restricted importation of raw material led eventually to Government control and the purchase by the War Office of the entire British clip of 1916, 1917, and 1918. At the Armistice the Australian clip for one year after the conclusion of the war was also purchased; this, together with the stocks of New Zealand and South African wool in the hands of the Ministry of Munitions, was subsequently taken over by the British Australian Wool Realisation Association, founded for the purpose in December 1920 and dissolved in 1922.

Control was abolished in 1919, in time for the wool fairs, and the freed industry went through the common experience of a season of buoyancy followed by collapse. In 1919, according to the *Annual Register*, its condition was one of "extraordinary prosperity"; by the end of 1920, in the words of the same authority, it had "relapsed into a state of almost complete stagnation." Large stocks of both raw and manufactured wool remained unsold, and in 1921 prices fell below the pre-war level.

Recovery, however, has been more rapid in this than in the other great industries. During 1922 the unsold stocks were greatly reduced, and the price of British-grown wool was from 20 to 25 per cent. better than in the previous year. The export of unmanufactured wool was 50 per cent. higher than the pre-war average, while both imports and re-exports reached unprecedented figures. There was a heavy demand for manufactured goods, Germany being a big buyer of tops and yarns, and Japan, Canada, and the United States of tissues.

[1] Ormerod, *Wool*, 1918, p. 182.

The great *cotton* industry, of which suitable climate and proximity alike to the sea and the coal-fields has made Lancashire the centre, has shown less recuperative energy; the production of cotton goods during 1922 was only two-thirds of the normal or pre-war production, and probably not more than half the spindles in the country were in use throughout the year. This is not to say, however, that England has lost her old supremacy as a producer of cotton goods. Indeed, the very reverse is the case. "It is, indeed, curious testimony to the wonderful stability of the English cotton industry and to its importance to the world (it is, too, an illustration of the folly of scares) that since the war it has filled a greater place than ever in supplying other countries. That does not mean that its exports have been greater in weight than before the war, but that its proportion to the world's total of cotton-goods production has been a bigger one. When uninitiated people were talking, late in 1919 and early in 1920, of our cotton industry having inroads made upon it by America and Japan, the former country was actually buying more cotton goods from us than ever before, and the latter country was prohibiting the export of yarns of Japanese manufacture and suspending the duty on imported yarns!" [1] Some idea of the position of Great Britain in relation to other countries may be gained from the fact that whereas in this country there are about 59,000,000 spindles, America has 36,000,000, France and Germany 9,500,000 apiece, and Japan 3,700,000; while the further fact that England possesses two and three-quarter times as many mule spindles as all the rest of the world together implies that she has something not far short of a monopoly of the production of the finer sorts of yarn. It is true that America's actual consumption of cotton is considerably greater than ours, and that it is growing more rapidly; but this increase is no more than is necessary to meet the increase in the domestic demand. The American export of cotton goods is only about 5 per cent. of the total production; the English export amounts to 75 per cent.

There are, however, special reasons, connected with the supply of raw material, which make the cotton industry peculiarly sensitive to fluctuations of demand and hinder its quick recovery after a bad period. The greater part, about 60 per cent., of the world's cotton still comes from the United States, and the result of a fall in prices, such as occurred immediately after the war and again after the boom of 1919–20, is that the

[1] A. S. Wade, *Cotton Spinning*, 1921, p. 6.

American growers, who work on a small margin of profit, reduce the acreage under the crop. Thus the benefits of a revival of trade tend to be counteracted by a shortage of supply and a consequent rise in the price of raw material. This evil, indeed, existed before the war, but it has since been accentuated by the scarcity and higher cost of labour in the fields, the growth of the American demand, and by the spreading ravages of the boll weevil, which has practically destroyed the Sea Island cotton of Georgia, Florida, and South Carolina: that is to say, the finest cotton in the world.

The imminence of what would be an economic tragedy, the reduction of the cotton supply to a level inadequate to the normal demand, was emphasised by the abnormal consumption of the war, and it was during the war period that the problem began to be seriously tackled. Of the various remedies suggested, such as the minimisation of waste by more careful packing and the creation of reserve stocks, the most important and the most interesting is the encouragement of cotton-growing in other countries than America, and notably within the British Empire or in lands under British influence. Egypt and India have long been sources of supply, and in both countries the problem is rather one of improving quality, of producing cotton of a longer staple, than of increasing quantity; but in the Anglo-Egyptian Sudan, in South Africa, and in Australia there are possibilities which have so far been little developed and depend for their realisation on organisation and irrigation. From the Sudan, especially, great results are expected, and extensive irrigation-works are in progress on the Blue Nile. But the fruits of these schemes is not for immediate harvesting.

Nevertheless, at the end of 1922 the reserve stocks of cotton in the country had risen, by reason of the slump, almost to the pre-war level; and the state of the industry, though at the moment depressing, gave no cause for serious misgivings.

On the other hand, that textile industry which, though *longo intervallo*, has always stood third after wool and cotton, would seem to be in a very parlous state. The acreage under *flax* in Ireland has been greatly reduced in recent years: from 1908 to 1912 the average was 50,500 acres; in 1921 only 32,500 acres were cultivated in Northern Ireland and 7,500 in the Free State; while in 1922 there was a further shrinkage to 29,000 acres (with an output of 4,700 tons) and 4,900 acres (with an output of 850 tons) in the respective divisions of the country. At the same time the import from abroad has fallen

very far below pre-war figures. This averaged 70,000 tons a year: in 1921 only 662 tons were imported. The following year certainly showed an improvement to nearly 13,000 tons; but whether this might be regarded as a first step in the return to the old conditions remains to be seen. Prices have risen to an abnormally high level, and until they are reduced a revival of the linen-trade is hardly to be looked for. Here, as in the wool industry, cotton substitutes have made great incursions. The following figures reflect the position in the three industries. They show that while, during the decade in question, the consumption of cotton has declined steadily but not more than might be expected when the circumstances of the time and the activities of the Cotton Control Board are taken into consideration; and while the drop in the consumption of wool after the cessation of the inflated war-time demand was, though considerable, by no means catastrophic; the consumption of flax has fallen steeply and apparently with gathering impetus.

Annual Average Weight Consumed in Millions of lb.

	Cotton	Wool	Flax
1911–1913	2,074	791	237
1914–1916	1,854	816	225
1917–1919	1,623	835	121
1920–1921	1,305	711	63

That the industry to which Belfast owes so much of its prosperity is not to be abandoned without a struggle, however, is shown by the steps which have recently been taken both to improve the home-grown crop and to cheapen the costs of production. Experiments have been made at Lambeg near Belfast with a Livonian seed, which has been found to give not only a better quality of flax but twice as heavy a crop as the Dutch seed hitherto in use; and machinery has been introduced into the fields which enables one man to do the work of twenty.

Outside these two great groups of iron and steel and textile industries, which latter, besides those already mentioned, include the manufactures of *jute*, *hemp*, and *silk*, the importance of all of which, and especially of jute, was emphatically brought home during the war, there are many other trades which play

W. & A. K. Johnston, Limited.

DISTRIBUTION OF MANUFACTURES.

a valuable part in the economic life of the Kingdom but of which the treatment, even in the briefest detail, cannot here be undertaken. Room, however, may be found for a word as to their geographical distribution, which is of no little historical interest, for it illustrates in striking manner how the localisation of industries is originally conditioned by proximity to raw material and how it persists even after the local supplies have become exhausted or inadequate and recourse to importation has become necessary. Thus the *clay* which made North Staffordshire the centre of the manufacture of pottery has long since been worked out and has been replaced by clay brought from Devon and Cornwall. *Boots*, again, are made at Northampton, Leicester, and other midland towns, *gloves* at Taunton, Yeovil, Worcester, and Hereford, because those places lie in the midst respectively of cattle- and sheep-rearing districts, though the *leather* industry is now largely dependent on imported hides and skins. The *breweries* and *distilleries*, as mentioned already in connection with agriculture, are found in the barley-growing districts. *Chemicals* are made where *salt* is to be had in the neighbourhood, as at Widnes, the centre of the industry, in Cheshire, and in the basin of the Tees.

The main lines of the recent history of most industries has been very similar: signal prosperity just before the war; abnormal conditions during the war, when production was hampered by lack of raw material, the difficulties of export and the closing of important foreign markets, or deflected from its due course of development by artificial control; a too hasty assumption that peace meant the immediate return of prosperity, with consequent over-production and a plethora of unsaleable stocks when the short-lived boom broke and depression and stagnation took its place; finally, a gradual return, by no means yet complete, to better things, a mood of temperate optimism, and an anxious eye on the political horizon.

V

INTERNAL COMMUNICATIONS

No very material additions have been made to the British *railway* system within recent years. The total mileage in 1920 for the British Isles, 23,734 miles, exceeded that of 1911 by little more than 300 miles. Short lengths of new line are constantly under construction in various parts of the country,

but the system may be said to be, to all intents and purposes, complete. Although, in number of miles of line to the square mile, Great Britain stands a bad second to Belgium, it must be remembered not only that the latter is the most completely industrialised country in the world, but that it possesses no such extent of mountainous and scantily peopled land as is to be found, for instance, in the Scottish Highlands. The great industrial centres of England and Scotland have long been well served, and there is no question in these islands of the construction of lines for purely military purposes which was so prominent a feature of railway development on the continent in the years before the war.

The outstanding fact in recent railway history is the re-grouping scheme formulated in the Railway Act of 1921. On the outbreak of war the railways were at once taken over by Government under the Regulation of the Forces of Act of 1871 and thenceforth, until decontrolled, they were directed by the Railway Executive Committee which, in 1912, had been formed in succession to the earlier War Railway Council. The old system of practically unrestricted competition between a number of great private companies was thus violently interrupted; and when the war was over it was decided that it should not be restored in its entirety. In 1919, therefore, a Ministry of Transport came into existence with extensive power over the regulation of rates and charges, and less than two years later the Railway Act was passed.

By this Act the railways are formed into four groups: the North-Western, Midland, and West Scottish; the North Eastern, Eastern, and East Scottish; the Western; and the Southern. It also contains provisions for the establishment of permanent wages boards; for the representation of the trade unions on advisory councils; for empowering the Minister of Transport to enforce measures of standardisation of ways, plant and equipment and the adoption of schemes of co-operative working and common user, and to confirm agreements between companies as to the purchase or lease of railways; for the constitution of a railway rates tribunal, and for the regulation of competitive charges.

Whilst competition within the railway system itself is thus considerably curtailed, competition from without is likely to grow keener in the future. Foreseeing that they might be adversely affected by the development of *motor transport*, the companies tried to get a clause inserted into the Railway Act giving them the right to run road-transport services themselves.

They were, however, unsuccessful, and a Bill to the same end subsequently promoted by the North-Western and Midland group, though passing the second reading by a narrow majority, was withdrawn on the objection of the Transport Ministry to the proposed method of charging road-rates. The present position, therefore, is that the motor companies, of which there are already some 3,000 in Great Britain, are in a position to compete freely with the railways, and as their working costs are considerably cheaper and they can thus charge lower rates, the probability is that no small proportion of the carrying trade will gradually pass into their hands. Involved in the question of the development of motor transport, however, is the question not only of the maintenance of roads, of which the cost is bound to grow with the growth of heavy traffic, but also of the provision of new roads. Ambitious schemes of construction have been formulated and the nationalisation of roads has been proposed; and though the present financial position of the country makes such schemes easier to discuss than to execute, the making of " arterial " roads in the neighbourhood of London has already been begun on a considerable scale.

Another rival of the railways is the *coastwise shipping service*, but in this case competition is of course restricted to certain areas and only operates where rapid carriage is not essential.

The total weight of goods and mineral traffic originating on the railways of the United Kingdom in 1920 was 324,000,000 tons, 13,000,000 higher than in the previous year, but 46,000,000 less than in 1913.

Inland navigation does not nowadays hold a position of much importance in England. Many of the older seaports obviously owe their position to the possession of " a hinterland served by navigable rivers." But " the natural inland waterway has ceased in the British Isles to be a controlling geographical factor in the commercial eminence of a seaport." [1] The canals also, which, " in spite of any errors or shortsightedness which accompanied their construction, and in spite of the brevity of their period of ascendancy, did play a most important part in the industrial development of the nineteenth century," [2] have been largely superseded by the railway and the road. There is, however, still a certain amount of traffic on the canals of the coal districts of the north, for instance on the Leeds and Liverpool Canal and the Aire and Calder Naviga-

[1] *Oxford Survey of the British Empire*, vol. i (The British Isles), p. 271.
[2] *Ibid.*, p. 273.

tion, which between them connect the Mersey with the Humber; on the Trent and Mersey Canal, which joins the two rivers after which it is named and serves the Potteries; on the Shropshire Union Canal System and the Birmingham Canal Navigations; and on the Grand Junction Canal which connects London with the midland waterways. More important, however, than any of these is the Manchester Ship Canal, which, opened in 1894 and having a length of 35½ miles, has rendered the cotton trade independent of Liverpool. The merchandise carried on this canal in 1922 amounted to over 4,000,000 tons. The total traffic on the principal canals of the kingdom was nearly 12,000,000 tons, of which 1,500,000 tons were carried on canals owned or controlled by the railways. To the Caledonian and Crinan Canals belonged 82,000 tons; but neither Scotland nor Ireland is well served in the matter of inland waterways.

In March 1922 there were 23,649 *post offices* in the United Kingdom. The number of letters despatched in the official year 1921–2 was 3,275,000,000; of post-cards, 491,000,000; printed papers, 1,300,000,000; newspapers, 185,000,000; parcels, 128,000,000; and telegrams, 75,000,000. The mileage of telegraph wires amounted to 287,652; of telephone wires, to 1,358,149 on the London system and 1,801,424 in the provinces; the number of telephones being 351,841 and 643,512 respectively. The number of effective calls during the year was about 682,000,000, of which 252,000,000 originated in London. On February 28, 1923, there were 16 Post Office wireless stations in operation, and a number of stations were still being worked under licence by the Marconi Company.

VI

FOREIGN TRADE AND SHIPPING

The progress made by the foreign commerce of the United Kingdom in the early years of the nineteenth century was at once rapid and steady. A consideration of the average values of exports and imports (excluding bullion and specie from both and South African diamonds from the imports) for three series of five years will make this at once apparent. These figures will perhaps be most readily appreciated if set out in tabular form. The sums represent millions of pounds sterling.

Average of five years	Total imports	Exports of U.K. produce	Exports of foreign and colonial produce	Total exports
1897–1901 . .	490·4	260·6	63·4	324·0
1902–06 . .	558·8	316·0	73·8	389·8
1907–11 . .	644·4	413·1	93·9	507·0

How solid the progress was is shown by the fact that each of the averages is substantially higher than the figures for the highest year of the preceding five, and that, except in the first series, in which 1900 takes pride of place, the highest year was always the last in the series. Another noteworthy point is that the exports were growing at a decidedly greater rate than the imports. Progress was maintained in 1912 and 1913, in the latter year the imports amounting to £769,000,000 and the exports to £525,500,000, increases of 3·2 per cent. and 7·8 per cent. respectively over the corresponding figures for 1912.

Imports.—Of the £644,400,000 produced by the import trade on the 1907–11 average, food, drink, and tobacco accounted for £253,500,000, raw materials and mainly unmanufactured articles for £234,800,000, and wholly or mainly manufactured articles for £153,600,000. In the first of these divisions wheat, with a value of over £40,000,000, was the largest item, followed by butter (£23,400,000), sugar (£22,300,000), bacon (£14,000,000), and maize and tea (each £11,600,000). Easily predominant in the second division was cotton, worth nearly £66,000,000; wool coming next with £35,000,000, and then oil, seeds, etc. (£32,500,000), wood and timber (£25,400,000) and caoutchouc (£15,500,000). The list of manufactured articles was headed by the non-ferrous metals, valued at £26,000,000. Silk yarns and manufactures, leather goods (exclusive of boots and shoes), chemicals, drugs and dyes, and cotton and woollen manufactures, their values ranging from £13,000,000 to £9,000,000, were the next most important constituents of this division.

Countries of Origin.—The country which sold us most was the United States, goods coming from thence being worth £113,000,000, or more than one-fifth of our total imports. In this huge total, cotton worth over £40,000,000 played the largest part; the balance being made up mainly by food-stuffs, with wheat and bacon at their head. Imports from Germany, the principal of which was sugar, amounted in value to just half those from the United States; and France, sending silk, woollen stuffs, motor-cars, and wine, stood third with a total

of £38,000,000, followed closely by Russia, whose chief consignments consisted of wheat, timber, and dairy produce. The Argentine Republic, sending wheat and maize, beef, mutton, and wool, was the only other country to sell us more than our own possessions; at the head of which stood India, supplying wheat, tea, and jute to make a total of £28,600,000. From Canada came wheat, cheese, and timber; from Australia wool, wheat, butter, and mutton; from New Zealand, wool and mutton; and the purchases from these colonies amounted to £24,000,000, £21,600,000, and £14,400,000 respectively. Of other foreign consignments the most important were butter (worth over £10,000,000) and bacon from Denmark, iron ore from Spain, sugar from Austria-Hungary, timber from Sweden, and cotton (£12,600,000) from Egypt.

Exports.—The bulk of our exports, to the extent of £318,000,000 out of £413,000,000, consisted of manufactured articles, and of these cotton accounted for £105,000,000, three-quarters of that sum standing to the credit of piece-goods. Iron and steel manufactures were worth nearly £42,000,000, woollen and yarn manufactures £33,500,000, and machinery £30,000,000. Raw materials were exported to the value of over £53,000,000, of which sum coal and coke produced £39,400,000. In the comparatively small total of £24,500,000 for exported food and drink, the first place was taken by herrings, valued at £4,000,000, followed by grain (including flour) and spirits, each valued at a little over £3,000,000.

Countries of Destination.—India, spending £48,600,000, stood at the head of the purchasers of British goods, half that sum being laid out on cotton goods and nearly £10,000,000 on iron, steel, and machinery. Among foreign buyers, Germany took foremost place, with a total of £36,600,000, followed by the United States, Australia, France, the Argentine Republic, Canada, and the Union of South Africa, of whom the first spent nearly £30,000,000 and the last just over £15,000,000. Cotton goods, iron and steel, machinery, and woollen goods occur at or near the head of the list of exports to most countries, though in the case of Germany and France, as of Denmark, Norway and Sweden, Italy and Spain, coal occupies that position. Germany and Russia both purchased large quantities of herrings.[1]

Such, in bare outline, was the foreign commerce of Great Britain on the eve of the war. Given the requisite conditions,

[1] The foregoing analyses are based on the statistical tables given in the *Oxford Survey of the British Empire*, vol. i (British Isles), pp. 572–7.

friendly relations abroad, security at sea, and steady foreign exchanges, there seemed no reason why there should be any term to its expansion. But in August 1914 all those conditions were in large measure abrogated; and it says much for the powers of adjustment to new and unprecedented conditions shown both by the Government and by the individual trader that so vast and delicate a structure should have survived the crisis so well as it actually did. A shrinkage in the volume of trade of course there was; with the closing of important markets, the increase of freight-charges, and the decrease of available tonnage, first from the requisition of commercial shipping for belligerent purposes and the disappearance from the seas of the German mercantile fleet and later as the effect of the submarine campaign, this was inevitable. But from 1915 onwards the trade returns, although incomplete, since goods carried for the British and Allied Governments were omitted from them, show a steady advance in the total value of merchandise imported and exported; and though this is due to the advance of prices, and not to the increase of commodities bought and sold, the trade done was, in the circumstances, extraordinarily satisfactory. The unsatisfactory part of the story is that the advance was all on the side of imports. These increased in value if not in quantity, year by year, while the exports, during the last three years of the war, declined. Re-exports also declined, for, with the exception of goods purchased for the use of the Allies, we were buying practically nothing which was not absolutely necessary for our own consumption.

Thus the adverse trade-balance, which had always existed but before the war had been growing smaller and smaller, was at the end of the war enormous; with the result that, when the seas were once more secure and tonnage was more readily available, there was a premature attempt to recapture lost markets and a consequent reckless over-production of goods. "Everyone believed in an acute shortage of raw materials and manufactured goods which would keep trade busy for a long time to come, and it was overlooked that, in normal times, stocks do not, on the average, exceed three months' production and that, in many cases, Governments held important stocks which had to come on the market on account of demobilisation. Production was, therefore, pushed on regardless of cost, and, as the forced consumption brought about by the war had ceased, the crisis became unavoidable." [1]

[1] *Financial and Commercial Review*, 1921 and 1922 (issued by the Swiss Bank Corporation), p. 3.

All appeared to be going well, however, until about the middle of 1920, in which year British imports amounted to £1,936,742,000 (equivalent to £679,274,000 at the pre-war value of money) and exports to £1,557,975,000 (or £471,385,000 according to the old standard); the actual volume of trade being far larger than in 1919 and about 80 per cent. of that of 1913. Then came the crash. The index-number of wholesale prices which, taking 100 as the normal or 1913 average, reached 352·9, its highest point, at the end of April 1920, fell by the end of the year to 251·2. Twelve months later, as the result of a practically unintermitted decline, it stood at 162·1, and 1921 was the worst year that had been known in the commercial history of the country for a century. The goods were there to sell, but the countries which could afford to buy them did not want them, being themselves over-stocked, and those that wanted them could not afford them.

After the first few months of 1922 there was a certain improvement. Although, except for a slight rise in the summer months, the index-figure continued to decline and at the end of December stood at 158, the downward trend was far more gradual, and the steadying of prices, in conjunction with the gradual liquidation of stocks, had its effect on trade. The total value of foreign commerce, taken at its face value, was actually 3·6 per cent. less than that of 1921, but if allowance be made for the fall in prices there was an increase of 22·8 per cent. Moreover, it was in the case of exports that the improvement was most marked: they increased by 7·5 per cent. or 29·5 per cent., according to the valuation adopted. The figures, at their face value, for the two years, were:

	Imports	Exports	Re-exports
1921 . .	£1,085,500,000	£703,500,000	£107,000,000
1922 . .	£1,004,000,000	£720,500,000	£104,000,000

The export of cotton piece-goods increased by 44 per cent. in quantity, though only by 3·8 per cent. in value; and there was a corresponding rise of 22 per cent. in quantity and 18 per cent. in value in the import of raw cotton. Nearly 40,000,000 tons more coal were exported than in 1921.

Shipping.—The history of the shipping industry since the Armistice is naturally in great degree an echo of the history of overseas trade in general. At first the demand for ships was

brisk, freights were high, and the yards were busy repairing the wastage of wartime. In June 1919 the net loss of British tonnage since 1914 stood at 2,547,000 tons; twelve months later it had been reduced to 781,000 tons.

This energy in the yards would have been highly satisfactory had the demand only lasted. But the sudden slackening of trade, with its accompanying fall in freights, meant that the docks became filled with idle tonnage and that orders for ships, many of them actually under construction, were cancelled. Throughout 1921 the industry was "in a state of complete stagnation."

Next year, however, as with commerce, the prospect began to brighten. Freights remained low, but there were considerable reductions both in working-costs and in port-charges. In the summer, when labour trouble made the United States dependent on England for coal, tonnage to carry it was chartered on a large scale; and the improvement in demand was to some extent maintained even after America's difficulties had been settled. On the first day of 1922 there were 712 British vessels of 1,300,000 tons idle; on October 1 there were only 456 of 825,000 tons; and by the end of the year orders for new vessels were again being placed.

Tonnage of Ships Entered and Cleared (with Cargoes only) at Ports in the United Kingdom

	Entered		Cleared	
	British	Foreign	British	Foreign
1913	32,292,000	16,772,000	40,101,000	27,719,000
1920	25,507,000	10,986,000	23,532,000	13,194,000
1921	25,124,000	11,999,000	24,282,000	12,115,000
1922	28,422,000	14,904,000	36,815,000	22,865,000

The general situation at the end of the year 1922 is well described in the following passage from a report which has already been quoted: "To sum up, the year 1921 began under the most sombre auspices, and at the beginning of 1922 pessimism was, if possible, still more pronounced. Towards the end of the year, however, for the first time a certain measure of confidence was again making itself felt. This optimism is not without foundation. The industrial reconstruction of the world is complete in a general way, and considerable progress has also been achieved in the consolidation of the new States

in Eastern Europe. Even Russia has been compelled, by economic necessity, to reinstate private ownership. On the other hand, the purchasing power of the world's markets, and especially of the European markets, is still far below normal. Political reconstruction, too, has lagged behind, and will, as long as the main points arising out of the Peace Treaty are still undetermined. It seems, therefore, that the trend of economic activity will be governed almost entirely by politics, and especially by the progress made in the solution of the reparations question." [1]

This pronouncement has already proved itself to be entirely sound: for at this moment (September 1923) the reparations problem has advanced no step towards solution, the political horizon is, to say the least of it, very misty, unemployment is again rising, and the trade outlook for the winter is dark.

[1] *Financial and Commercial Review*, 1921 and 1922 (issued by the Swiss Bank Corporation), p. 13.

SECTION V
BRITISH FINANCE

BRITISH FINANCE

I

HISTORICAL

It is difficult to regard the present financial position of Great Britain in the proper perspective unless one is on terms of at least nodding acquaintance with the stages through which this position has been reached and particularly, of course, with the financial effects of the great European war.

A starting point for a brief sketch of British financial history is difficult to determine. One might begin with the Exchequer tally, to be seen to-day in the House of Commons, recording a loan of £3 odd to King John. One might, on the other hand, skip a few centuries and open with the operations of the Goldsmiths, whose activities eventually formed the basis of the banking system. Alternatively, one might find equal reasons for going back to Julius Cæsar or for ignoring everything that happened until the foundation of the Bank of England in 1694. Perhaps it is as well to select the decade in which the last-named date fell, the last decade of the seventeenth century.

In 1697 this country emerged from a war with France which raised the National Debt from £750,000 to £15,000,000. By 1714 the debt had grown to £36,000,000, while in 1720 a jump to £52,000,000 took place owing to the stock of the disastrous South Sea Company being added to the Consolidated Fund. A fresh period of war took it quickly to £76,000,000, and although a welcome interval of peace followed the Treaty [1] of 1748, wars came again, and we find the national debt rising as a result to £133,000,000 in 1763. Worse was soon to come, and the financial result of fighting and losing America was that this country emerged from that deplorable struggle with a debt of £245,000,000, which carried an annual charge of nearly £10,000,000—a serious one in those days. This burden, however, was trifling in comparison with what was to come, for the Napoleonic wars sent the debt soaring until, by the

[1] Of Aix-la Chapelle.

time Napoleon was finally vanquished, the total had climbed to no less than £861,000,000, costing over £32,000,000 per annum. By the middle of the nineteenth century the figure had been laboriously reduced to nearly £800,000,000, but the reduction was almost neutralised by the Crimean War. But when that was over, a period of steady reduction set in until in 1900 the total reached £638,000,000. But then came war again, and the struggle with the Boers added £158,000,000. From 1906 to 1914 a spell of peace and taxation reduced the figure to about £700,000,000 on the eve of the Great European War of 1914–18; the latter, as everybody knows, transcended in scope and cost the worst nightmares of financiers in the past and, as we shall see, multiplied the gross debts of the nation eleven or twelve times. The history of British finance is a story of the recurrence of costly wars, and the struggles of the intervening periods of peace to lighten the burden which the wars imposed.

It is often said that relatively the financial position of this country was worse after the Napoleonic wars than at the end of the great European war. Statistically that statement is supportable. But there is this vital difference, that the Napoleonic wars preceded a period of the most amazing commercial development the world has seen. To put the matter picturesquely, it was the spinning-jenny and the steam-engine which enabled the nation to sustain its burden and to regain major prosperity. Whatever progress may lie ahead to-day, we can hardly expect inventions and developments comparable to those that enriched the nineteenth century.

Side by side with this tremendous industrial development came the development also of London as the predominant international money-market. As the need for machinery grew for financing an ever-swelling volume of domestic and overseas trade, so was built up the mechanism which before the war enabled this country to take a banker's toll on the world's commerce. In these ways the national wealth and the national income multiplied so greatly that a steadily growing population was easily able to support an equally steady growth in budget expenditure. This national wealth of Great Britain at the end of the Napoleonic wars has been estimated at about £2,600,000,000, whereas in 1914 the more conservative of expert estimates put the figure at £14,000,000,000. In 1857 the total national expenditure reached £68,000,000, or £2 7*s.* 6*d.* per head of population, and in the last year before the great European war £198,000,000, or £4 9*s.* 6*d.* per head. During

this period, when taxation per head was rising, it is safe to say that the proportions of the national income absorbed by national expenditure diminished. The century which Britain entered in a state of dangerous impoverishment she closed in prosperity, with resources and staying-power which were revealed in the Great European struggle to be greater than either friend or foe had believed.

Although London's financial prestige was built up on the basis of the great commercial development of which we have spoken, the financial machine itself which, evolved to meet the requirements of Britain's world-wide trade, succeeded in financing a large part of the trade of the whole world, calls for brief examination. The two first points about this machinery are that it was allowed to develop according to recognised needs and individual experience, and that its growth was spread over centuries of time. These two facts explain the establishment of sound tradition and the accumulation of vast experience and knowledge. They account also for the fact that the machine has been designed in a type readily adjustable to all the different kinds of strain that may be put upon it. The hub of the machine is the Bank of England, whose combination of solidity and elasticity is one of the prime financial assets of the country. But if the Bank of England is the hub, the joint-stock banks are the spokes of the financial wheel. More than a century ago it was discovered that the financial wheel required cogs to keep it in gear with the trade machine. These cogs were provided by the evolution of the bill-broker. The bill-broker is the middle-man between the banks and the trader. Through the necessities of his calling he specialises in knowledge as to the requirements and financial standing of certain types and bodies of business. As Mr. Ellis T. Powell puts it in *The Evolution of the Money Market*, "he possesses in that capacity a more profound knowledge than the banker would possibly attain of the resources, commitments and character of an extended clientèle, and upon his discretion depends the safety of the banker in lending soundly."

The London discount market in the last half of the nineteenth century gradually gained the cream of the "acceptance" business, which is the medium by which the world's international trade is financed. When a Bradford merchant sells woollen goods to France it is natural that London should finance the transaction. But when the Italian sells macaroni to Japan it is more remarkable that the transaction should be financed by a bill on London. But as a matter of fact, before

the war, so large a portion of the trade between one foreign country and another was paid for through London that the bill on London was aptly called the currency of international commerce. This brief description of London's financial machinery, which may seem to the reader to be a digression, is necessary if we are to understand many of the ramifications of financial effect caused by the outbreak of war in 1914.

II

FINANCE DURING THE WAR

We have alluded to the rapid growth in the national wealth during the nineteenth century. Much of the annual savings which went year by year to swell this total was invested abroad. The amount of money invested by the people of this country in enterprises in all parts of the world and lent to foreign governments grew rapidly in volume during the last twenty years before the war, until in the years 1911–14 it was believed to average about £200,000,000 per annum. Thus an enormous store of foreign securities was established which, as will be seen later, proved of immense assistance in regulating the exchanges during the war period and also in financing the war. It has been estimated that the total amount of British capital invested abroad and outstanding at the outbreak of war was between £3,000,000,000 and £4,000,000,000.

We must now return to the position of the national accounts in the years preceding 1914. Take the Budget estimates for 1910–11. They provided for total expenditure of £172,000,000, the largest items being Civil Services £42,500,000, the Navy £40,500,000, the Army £27,750,000, National Debt Service £24,500,000. As compared with these the Budget estimates for 1913–14 showed total expenditure of £197,000,000 of which the Civil Services claimed £54,000,000 (including £19,500,000 for Old Age Pensions), the Navy £49,000,000, the Army £28,500,000, and the service of the National Debt £24,500,000. It will be seen that in the last few pre-war years the nation's bill was considerably swollen by preparations for naval defence and experiments in social reform. Revenue for the same year was £198,000,000, the chief sources being property and income-tax £47,250,000, estate and death duties £27,500,000, customs duties £35,500,000, and excise duties £39,500,000. In spite of growing expenses the country was paying its way comfortably, and income-tax was being levied at a maximum rate of 1*s.* 2*d.*

in the £. This was the comfortable state of affairs upon which the war broke with devastating effect.

The first financial effect of the war crisis was a series of unprecedented movements in the foreign exchanges. London, as the world's banker, had debts to collect in every part of the world, and when she wanted to collect them she found that her debtors' ability to pay promptly depended in large measure on her own ability to go on lending. The value of sterling in foreign currencies rose to dizzy heights, and indeed all exchange dealing broke down. Between July 30 and August 1, 1914, the Bank of England rate was raised from 3 to 10 per cent., and on July 31 the London Stock Exchange closed, thereby following the example of all the Continental bourses. This string of events indicated no weakness in Britain's financial system. On the contrary, her lonely strength contributed largely to assist it. At the first shock of war London awoke as from a dream to find itself the centre of an intricate international financial system which had completely broken down, and strong steps by the Government were needed to meet a situation that had never been foreseen. A general moratorium was declared, the Bank of England's right of note issue was temporarily extended, gold was withdrawn from circulation and replaced by Treasury Notes of £1 and 10*s.* each, the reopening of the Stock Exchange was forbidden, and a network of control and restriction on the financial and commercial life of the country was gradually built up as circumstances required. A few months after the first shock the financial and economic world began to readjust itself to the new conditions. In January 1915 the Stock Exchange was reopened under drastic restrictions, and the issue of new capital was again permitted under the supervision of a Treasury Committee which exercised a very strict control.

In two short months the cost of war preparations neutralised the entire reduction made in the national debt in the preceding eight years. How the debt grew we shall shortly see, but in tracing its growth it must be remembered that one of the most prominent characteristics of British war finance was the large proportion of expenditure which was met out of revenue, and as the war went on this proportion increased. In the financial year 1915–16 the ratio of revenue to expenditure reached its lowest point at a little over 21 per cent., but by the year 1918–19 it had risen to over 28 per cent. This high ratio and the fact that so much of the war expenditure was being met out of taxation were responsible for the high level at which Britain's

credit stood throughout the war. The total expenditure in the five years 1914–15 to 1918–19 was £9,600,000,000, of which £2,730,000,000 were raised by taxation and from other sources of revenue, leaving borrowings of £6,870,000,000. This last-named amount was raised by a variety of methods. In the early stage of the war a large proportion of the money borrowed was in the form of short-dated securities of one kind and another, but later on the Treasury had recourse to longer-dated issues, and of the total borrowed roughly 25 per cent. was short-term and 75 per cent. long-term debt. From the outbreak of war up to the end of 1918–19, the last war year, the net addition to the Floating Debt, that is to say, Treasury Bills and Temporary Advances on Ways and Means, was about £1,400,000,000. Just before the Armistice the total of Treasury Bills outstanding had risen to £1,000,000,000, and the rates of interests at which these were sold had risen to so high a figure that it became less costly to issue longer-dated securities and therewith to pay off some of the Treasury Bills. Treasury Bills, which were issued in the form of three-, six-, and twelve-months' bills, were a convenient form of short-term securities for the investor and were useful to the Treasury as a means of quickly obtaining funds, but as their volume grew the problem of refunding them became a serious one for the Government. The only other form of really short-term domestic borrowing in which the Treasury experimented was in the form of " War Expenditure Certificates," which were virtually Treasury Bills running for two years. Only a small amount of these, namely £23,500,000, was issued in 1917, and they were all repaid in the following two years.

Some £370,000,000 were raised in the form of Exchequer Bonds, whose rate of interest varied from 3 to 6 per cent. and whose term of currency ranged from three to five years. Various inducements were offered to subscribers to these bonds, including their acceptance at face value in payment of certain taxes and as cash for subscription to war loans. The first war loan was issued at the beginning of 1915, the amount raised being £340,500,000. Interest was at the rate of 3½ per cent., and the loan was redeemable in 1925–28. The second war loan, issued in June 1915, produced £576,500,000, with interest at 4½ per cent. and the rate of redemption 1925–45. The third and largest war loan was issued in 1917 in two forms—at 4 per cent. free of income-tax and at 5 per cent. subject to tax. The former is redeemable in 1942 and the latter in 1929–47. The total amount of cash received from this issue was

£960,000,000, most of which was in the 5 per cent. taxable class, though the total amount outstanding is in the neighbourhood of £2,000,000,000, thanks to the extensive facilities for conversion from other loans which were offered. In the autumn of 1917 the plan of continuous borrowing by means of the daily sale of war bonds was introduced and continued until May 1919. Some £1,500,000,000 were raised by this method, which had the advantage of saving interest on borrowed funds not being used, and of stimulating subscriptions out of savings rather than from borrowings from a subscriber's banker. Another form of borrowing which produced over £250,000,000, almost entirely from the small investor, were War Savings Certificates, first introduced in 1916. They were sold at 15*s.* 6*d.* each and were redeemable after five years at £1.

Before the war had gone very far those financial difficulties became apparent which added immensely to the burden which Great Britain had to carry. The first was that besides financing her own active participation in the war, which apart from a huge navy took the form of a very large and growing army, Britain had also imposed upon her the task of acting as banker to the whole Allied cause. The second difficulty was that the vast demand for the materials of warfare far transcended the productive capacity of the Allied nations themselves, and that enormous purchases (which Britain had largely to finance) had to be made abroad, especially in the United States. This meant two things. In the first place the gross cost of the war to Britain quickly exceeded all estimates, and secondly there arose a crying need for the establishment of credits in the United States and in a lesser degree in other neutral countries. So it came about that although the great resources of the country would probably have enabled Britain to finance her own part in the war without any external assistance, she was nevertheless compelled largely by the pressure of Allied needs to add to the burden of domestic debt huge liabilities to the United States and other countries.

Britain entered the war with a debt of £711,000,000. She emerged from the war with a debt of about £8,000,000,000. Of this amount nearly £1,300,000,000 had been borrowed abroad, mainly in the United States, representing expenditure in the lending countries on food and munitions of war supplied to the British and Allied fleets and armies. This figure of borrowing abroad is, however, lower than the figure of loans made by Britain direct to her Allies and Dominions, which at about £1,850,000,000 represented some 22 per cent. of her total

borrowings, domestic and foreign. After her entry into the war in 1917 America to a large extent assumed Britain's function as banker of the Allies. Nevertheless, by that time the demands of war were growing on such a gigantic scale that in spite of America's great efforts the financial burden on Britain was not lightened, although it was adjusted and made more bearable.

It is in connection with the borrowing abroad which had to be undertaken during the war that the vital importance of Britain's prosperity and accumulated savings during the previous half-century became prominent. We have referred previously to the great stock of foreign investments which had been built up before the war. These stood the country in very good stead. The Government commandeered suitable foreign securities from private holders (giving, of course, suitable compensation) and having mobilised them used them in two ways, first by selling them abroad in order to maintain the level of sterling exchange, secondly in order to place them as collateral security for loans raised in the United States and elsewhere. This represented a serious depletion of the staying power of the country, but it served to achieve the essential result of securing stability of the exchanges.

III

RECOVERY

THE period of war finance in Great Britain did not by any means end with the Armistice. Expenditure, which in the last full year of war was £2,696,000,000, only fell by little more than £100,000,000 in the following year, 1918–19. The year 1919–20 still showed a surplus of expenditure over revenue of nearly £330,000,000. It was only in the following year, 1920–21, that the position at last became manageable. In that period the tax burden reached its maximum, and although expenditure was still in the neighbourhood of £1,200,000,000, a surplus of some £220,000,000 was available out of revenue for paying off war debt. We may pause here and contrast the rates of taxation current in that year with the figures we have already given from happy pre-war days. In 1920–21 income tax was levied at the rate of 6*s.* in the £ as compared with 1*s.* 2*d.* before the war, super-tax at rates varying from 1*s.* 6*d.* to 6*s.* in the £ as compared with 6*d.* Death duties were more than double the pre-war rate. There was in force also a duty of 80 per cent. on all profits in excess of a standard pre-war rate. Besides this, enormous increases were made in all the

existing forms of indirect taxation, including customs and excise duties on beer and spirits, sugar, tea, tobacco, etc. These terrific imposts the country was enabled to bear for the time being owing to the artificial and temporary prosperity of the post-war trade boom. But so soon as that boom was waning the outcry for relief became insistent and irresistible. Falling prices helped to reduce the demands on the public purse, and economies in public spending became the first problem of the day. Moreover, enormous sums received for the sale of surplus war material and stores of all kinds of which the Government found itself in possession after the Armistice were brought by the Exchequer into revenue account and made it possible at one and the same time to approach a Budget balance and lessen the burden on the tax-payer.

If we pass from this period of maximum expenditure to the Budget estimates for 1923–4 we can see at a glance the efficacy of the steps taken to restore some degree of normality in the national accounts. Estimated expenditure is down to £816,000,000, and a revenue sufficient to cover this figure, including £40,000,000 from sinking funds on the national debt, is to be raised, with the income-tax at 4*s.* 6*d.* in the £, without the help of any excess-profit duty, with one or two special war imposts removed, with indirect taxation on the downward trend again, and with sales of war stores approaching exhaustion as a source of revenue. Looking at the matter dispassionately one must admit that progress has been as fast as could be expected. A steady annual reduction in expenditure is hoped for, but since more than half of the Budget is made up of war pensions and service of the national debt, the reduction can only be slow in the years that lie immediately ahead, and therefore the main figures of the Budget for 1923–4 may be given as typical of the present-day budgetary position:

MILLION £'S

Revenue		*Expenditure*	
Customs and Excise	260·7	Debt (including U.S.A.)	350·0
Motor Vehicle Duty	13·3	Other Consolidated Fund Charges	30·5
Inland Revenue	426·0	Defence	116·9
Post Office	52·6	Civil Services	241·2
Other ordinary non-tax revenue	25·9	(Including Pensions £73½ millions)	
Special receipts	40·0	Revenue Departments	11·6
		Post Office	50·8
		Special expenditure	15·6
		Surplus	1·9
	818·5		818·5

One feature of the British financial programme which is not found in those of Allied countries is that it is framed without taking into account possible reparation receipts from Germany and without taking credit for any possible repayments either of interest or capital on the huge loans made to France, Italy, Russia, and other allied countries. Anything that may accrue from those sources will be regarded as a windfall to be applied in reduction of debt. There is still room, no doubt, for retrenchment in administration expenses; the pensions bill is an item which time will reduce in accordance with the laws of nature, but the debt charge is the most serious obstacle to a return to light taxation. Methods of paying off the debt are the centre of lively controversy. The Labour Party advocate paying off a large slice by means of a capital levy, while orthodox financiers prefer the method of slower but effective reduction by means of large annual sinking funds.

Great Britain's attitude on the questions of Reparations and inter-Allied indebtedness is so frequently misunderstood and misrepresented that certain definite facts as to her position are perhaps worth repeating. She has debts owing to her from Allied countries of over £1,700,000,000, while she herself owes to America little less than £1,000,000,000. On the one hand, not a single one of her present debtors has as yet made any move towards paying one penny in interest or redeeming one penny of the capital. On the other, Great Britain has concluded a definite agreement with America under which the total debt is to be extinguished in 60 years and annual payments made of over £30,000,000 per annum. This payment has already begun. In a word, Great Britain has repaid or pledged herself progressively to repay every penny of her debts to other countries, while, with the exception of the British Dominions, no country that borrowed from Great Britain during the war has taken any steps towards payment of interest or repayment of capital.

In any attempt to sum up the present position of, and the outlook for, British finance one cardinal fact with regard to Great Britain's economic life must be borne in mind. This country depends on overseas trade for its prosperity to a far greater extent than any other country in the world. For a short period after the Armistice the exhausted markets of the world were forced to absorb British goods at high prices, and for a while employment was brisk, factories busy, and profits high. This phase was over by the end of 1920, since when the country has been struggling through deep depression slowly

and painfully towards a normal basis. In the early summer of 1923 there were still over 1,250,000 unemployed. This fact may be attributed almost entirely to the reduced buying power of British customers, mainly owing to the direct and indirect effects of the continued unsettlement of the Continent of Europe. Upon developments in international politics British financial and economic recovery must largely depend.

In the domestic sphere the years that have elapsed since the war have been devoted to steady efforts to remove the artificial barriers which block the way to recovery. One by one State controls and interferences with the normal life of the country have been removed. In the main the business community is now in the purely domestic sphere almost as free to work out its own salvation as in pre-war days. The British banking system has come through the fiery trials of war and post-war experience more powerful than ever, a fact which is the more clearly recognised as a great national asset since in the last few years we have seen, in many lands, the grave disturbance caused by recurring epidemics of banking failures. The great banks are the corner-stone of the nation's financial structure, and that they have stood four-square to all the tempests of a troublous period redounds to the credit of those who direct their fortunes. That the economic troubles of the country have not been even more profound is due to their wisdom and also to the courage of the authorities, who had the foresight to resist the temptation for excessive inflation of currency and credit, imposed taxation up to the maximum of the country's capacity to pay, and refused during the period of the short post-war boom to be frightened into measures of overdrastic deflation. A practical tribute to the way in which Great Britain's finances have been handled is the steady climb of the pound sterling towards parity with the United States dollar. If the experts are right the day may not be far distant when that parity will be achieved and this country return to a gold basis. It would be an optimist, however, who looks for a return to the circulation of gold coin in place of paper currency during the lifetime of the present generation.

So Great Britain is struggling slowly and painfully up the road that leads to normal well-being. Falling prices and lowered wages have in leading industries restored the position in which foreign competitors can be met in neutral markets. The trade balance, allowing for "invisible exports," such as insurance and shipping services, after running to enormous adverse figures, is now once more showing a comfortable sur-

plus which is the measure of the country's ability to pay off foreign debt, or make fresh investments abroad. London's new capital market has gradually regained its position as an international lender, and stage by stage is being built up once more the great stock of foreign investments which, as we have seen, was so sadly depleted during the war. London has not lost its premier position among the money-markets of the world, for although New York is doing a far greater share of international financing than before the war, it has lost a golden opportunity for supplanting London. Looking back at the four and a half years which succeeded the war, the future historian will probably marvel at the pace of British financial progress in contrast to that achieved by other nations. Whether this will be continued in the immediate future depends, to an incalculable extent, on the trend of international politics.[1]

IV

SOME FIGURES[2]

It is interesting to compare again, somewhat more in detail, the Budget figures with the corresponding figures for the last pre-war year 1913–14. Then the expenditure was £208,000,000; now it is £818,500,000. More than 50 per cent. of the increase is in respect of debt charges, and the estimate for the fighting services has increased from £77,500,000 in 1913–14 to £122,000,000 for the current year.

THE BUDGET, 1913–14

Audited Expenditure

National Debt Services	£24,500,000
Road Improvement Fund	1,394,951
Payments to Local Taxation Accounts	9,734,128
Land Settlements	—
Other Consolidated Fund Services	1,693,890
Total Consolidated Fund Services	37,322,969
Army	35,208,842
Navy	50,819,150
Total Fighting Services	86,027,992
Old-Age Pensions	12,425,821
Public Education	19,169,647
Boards of Agriculture	850,072
Ministry of Health and Health Insurance	5,341,163
Ministry of Labour and Unemployment Grants	1,161,712
Police	1,681,583
Foreign and Colonial Services	1,669,463

[1] See p. 169.

[2] Most of them by kind permission of the Editor of *The New Statesman* (July 28, 1923).—ED.

Works and Public Buildings	£3,621,378
Stationery Office	1,232,735
Legal and Judicial Departments	2,661,627
Other Civil Services	5,190,521
Total Civil Services	55,005,722
Customs and Inland Revenue	4,578,227
Post Office	24,882,527
Total Revenue Departments	29,460,754
Total Supply Services	170,494,468
Total Gross Expenditure	207,817,437

The Budget, 1923–4

ESTIMATED RECEIPTS

Customs	£116,900,000
Excise	143,850,000
	260,750,000
Motor Vehicle Duties	13,250,000
Estate, etc., Duties	52,000,000
Stamps	20,000,000
Land Tax, House Duty, and Mineral Rights Duty	3,000,000
Income-tax	261,000,000
Super-tax	58,000,000
Excess Profits Duty, etc.	12,000,000
Corporation Profits Tax	20,000,000
	426,000,000
Total Receipts from Taxes	£700,000,000
Postal Service	33,200,000
Telegraph Service	5,250,000
Telephone Service	14,150,000
	52,600,000
Crown Lands	900,000
Interest on Sundry Loans	12,500,000
Miscellaneous:	
Ordinary Receipts	12,500,000
Special Receipts	40,000,000
Total Receipts from Non-tax Revenue	118,500,000
Total Revenue	£818,500,000
Borrowings to meet Expenditure chargeable against Capital	£8,630,500

ESTIMATED EXPENDITURE

Consolidated Fund Services

National Debt Services	£350,000,000
Payments for Northern Ireland Residuary Share, etc.	3,000,000
Road Fund	12,650,000
Payments to Local Taxation Accounts, etc.	10,348,000
Land Settlement	1,500,000
Other Consolidated Fund Services	2,972,000
Total Consolidated Fund Services	£380,470,000

Supply Services

Army	52,000,000
Navy	58,000,000
Air Force	12,011,000
Civil Services	251,670,000
Customs and Excise, and Inland Revenue Departments	11,591,000
Post Office Services	50,874,000
Total Supply Services	436,146,000
Total Expenditure	816,616,000
Surplus	1,884,000
Total Expenditure	£818,500,000
Expenditure chargeable against Capital	£8,630,500

National Debt

The following is a statement of the National Debt as on March 31, 1923, showing the years in which it falls due for payment. The dates in the first columns are those in which the Government *has* to pay off the Loan; where an earlier date appears after the description of the Loan, e.g. "5 per cent. War Loan, 1929–47," it means that the Government has the option of paying it off at par on the earlier date. The amounts shown for National War Bonds are the nominal totals and do not include premiums. National Savings Certificates are shown at issue price, exclusive of accrued interest. External debt is shown at par of exchange. Loans marked * are being repaid by specific statutory Sinking Funds.

Year.	Security.	Internal.	External.	Total.
		£	£	£
1923–4	5% National War Bonds, April 1, 1923	28,150,000	—	118,850,000
	5% National War Bonds, September 1, 1923	63,284,000	—	
	5% National War Bonds, February 1, 1924	21,124,000	—	
	5¾% Exchequer Bonds, February 1, 1924	25,000	—	
	U.S.A. Government Loan (Silver) $30,500,000	—	6,267,000	
1924–5	5% National War Bonds, October 1, 1924	22,219,000	—	163,103,000
	5¾% Exchequer Bonds, February 1, 1925	134,617,000	—	
	U.S.A. Government Loan (Silver) $30,500,000	—	6,267,000	
1925–6	5% National War Bonds and Treasury Bonds	46,376,000	—	46,376,000
1926–7	5% Treasury Bonds	110,132,000	—	113,214,000
	Central Argentine Railway Company, $15,000,000	—	3,082,000	
1927–8	5% Treasury Bonds, 5% National War Bonds, and 3½% War Loan, 1925–28	350,172,000	—	350,172,000
1928–9	4% and 5% National War Bonds	508,200,000	—	511,541,000
	5¼% Straits Settlements Dollar Loan	—	3,341,000	
1929–30	5½% Treasury Bonds and 3% Exchequer Bonds	46,278,000	—	65,935,000
	5½% 10-year Bonds, $74,665,100	—	15,342,000	
	5% Straits Settlements Sterling Loan	—	4,315,000	

Year.	Security.	Internal.	External.	Total.
		£	£	£
1930–1	5½% Treasury Bonds .	134,741,000	—	134,741,000
1932–3	4½% Treasury Bonds .	109,789,000	—	109,789,000
1933–4	4% Treasury Bonds (Application Money only)	2,070,000	—	3,823,000
	5% Straits Settlements Sterling Loan . .	1,753,000	—	
1936–7	5½% 20-year Bonds, $143,587,000 . .	—	29,504,000	29,504,000
1940–1	Anglo-French Loan 4½% Bonds, $13,850 .	—	3,000	3,000
1942–3	4% War Loan, 1929–42	64,831,000	—	64,831,000
1945–6	4½% War Loan, 1925–45	12,804,000	—	12,804,000
1947–8	5% War Loan, 1929–47	2,031,000,000	—	2,031,000,000
	4% Victory Bonds* .	353,921,000	—	353,921,000
	4% Funding Loan* .	400,649,000	—	400,649,000
	3½% Conversion Loan*	684,000,000	—	684,000,000
	Funded Debt (Consols, etc.) . . .	314,222,000	—	314,222,000
	Terminable Annuities .	13,400,000	—	13,400,000
	Treasury Bills . .	616,045,000	—	616,045,000
	Ways and Means Advances . . .	193,897,000	—	193,897,000
	National Savings Certificates . . .	354,155,000	—	354,155,000
	Loans from certain Allied Governments . .	—	128,000,000	128,000,000
	U.S.A. Government Loan —* $4,600,000,000 .	—	945,206,000	945,206,000
	Canadian Government Loan, $69,713,985 .	—	14,325,000	14,325,000
		6,617,854,000	1,155,652,000	7,773,506,000

Loans to Allies and Dominions

The amounts owing to us by the Dominions and Allies as on March 31, 1923, were:

	£	£
War Loans:		
Dominions—		
Australia	90,389,000	
New Zealand	29,482,000	
Canada	13,810,000	
South Africa	11,884,000	
Other Dominions and Colonies . .	3,153,000	
		148,718,000
Allies—		
Russia	688,199,000	
France	601,645,000	
Italy	527,865,000	
Serb-Croat-Slovene Kingdom . .	26,194,000	
Portugal, Romania, Greece, and other Allies	70,057,000	
		1,913,960,000

War Loans (*continued*):		
Relief and Reconstruction Loans—		
Austria	12,805,000	
Poland	4,156,000	
Romania	2,322,000	
Serb-Croat-Slovene Kingdom	2,135,000	
Other States	994,000	
		22,412,000
Belgian Reconstruction Loan	9,000,000	
		9,000,000
Other Loans—		
Armenia	824,000	
Czecho-Slovakia	901,000	
		1,725,000
		£2,095,815,000

The American Debt

By the agreement between the United States Government and our Government, the amount of total indebtedness to be funded into Bonds of Great Britain is $4,600,000,000, with interest payable half-yearly on June 15 and December 15. This is to be at the rate of 3 per cent. per annum from December 15, 1922, to December 15, 1932, and thereafter at the rate of 3½ per cent. per annum. The British Government has undertaken to repay the Bonds by annual instalments as follows:

Date December 15.	Annual Instalments.	Date December 15.	Annual Instalments.
1923 and 1924	$23,000,000	1964	$85,000,000
1925	24,000,000	1965	89,000,000
1926 and 1927	25,000,000	1966	94,000,000
1928–29	27,000,000	1967	96,000,000
1930–31	28,000,000	1968	100,000,000
1932	30,000,000	1969	105,000,000
1933–34–35 and 1936	32,000,000	1970	110,000,000
1937–38–39	37,000,000	1971	114,000,000
1940–41–42–43	42,000,000	1972	119,000,000
1944–45–46	46,000,000	1973	123,000,000
1947–48–49	51,000,000	1974	127,000,000
1950	53,000,000	1975	132,000,000
1951	55,000,000	1976	136,000,000
1952	57,000,000	1977	141,000,000
1953	60,000,000	1978	146,000,000
1954–55–56	64,000,000	1979	151,000,000
1957	67,000,000	1980	156,000,000
1958	70,000,000	1981	162,000,000
1959	72,000,000	1982	167,000,000
1960	74,000,000	1983 and 1984	175,000,000
1961 and 1962	78,000,000		
1963	83,000,000	Total	$4,600,000,000

Our Government has the option, on giving three months' notice, to postpone any one of these instalments to a date not

more than two years distant, and of postponing the following year's instalments one more year, but the payment falling due in the second succeeding year cannot be postponed unless and until the payment due two years previously has been made. Our Government has the right to pay off any sum in advance of the due dates. At the request of the United States Government, we have to furnish, in exchange for the Bonds at present held by that Government, definitive engraved Bonds in a form suitable for sale to the public, which means that at any time there may be issued in New York the equivalent of a big British loan. Our repayments have to be made in Washington or New York in gold, or "immediately available funds," or in Bonds of the United States.

SECTION VI . . THE LABOUR MOVEMENT

THE LABOUR MOVEMENT

I

EARLY MOVEMENTS

THE British Labour Movement as we know it owes its origin to the Industrial Revolution. From the Middle Ages there had been, of course, manifestations of a spirit of revolt against the conventions and traditions of the times, and there were not wanting men who spoke out on behalf of the poor and oppressed. But it was the fundamental and far-reaching economic and social changes which we call the Industrial Revolution (say 1760–1830) that brought into existence an organised working-class movement. It is erroneous to suppose that prior to the advent of steam-driven machinery and large-scale production the working-classes lived in Arcadia. The factory system, however, and the social conditions which accompanied its introduction plunged the labouring population into a new servitude and a new degradation.

The Industrial Revolution completed the evolution of capitalism and the proletariat. The new race of capitalists created by the conditions of the time were uneducated men without any sense of responsibility towards their employees. The new proletariat drawn from the old small-scale industries and from the country-side, and recruited by children from the workhouses far distant from the rapidly developing industrial districts, suffered from brutalising conditions of employment, and lived under the most disgusting and unhealthy conditions. Neither employer nor employed comprehended the character of the changes which were taking place. The one was the unconscious embodiment of the new forces which were at work and the practical exponent of the philosophy of *laissez-faire*: the other was the unfortunate victim of the worst excesses of a crude and violent individualism.

The old world of the working-classes lay shattered; the old methods of protection were powerless to assist them. Labour found a new weapon in trade unionism. Though trade unionism, like capitalism, took its rise before the rapid succession

of inventions transformed industry, it gained its distinctive character under the shadow of the new factories. The few trade clubs which existed in the eighteenth century were almost all local bodies and confined to the skilled crafts. They were not class-conscious organisations cemented by a sense of working-class solidarity. As Mr. and Mrs. Webb have said: "Their occasional disputes with their employers resembled rather family differences than conflicts between distinct social classes. They exhibit more tendency to 'stand in' with their masters against the community, or to back them against rivals or interlopers, than to join their fellow-workers of other trades in an attack upon the capitalist class." [1] The "trade clubs" sprang into existence in an industrial society where the cleavage between employers and employed was as yet hardly visible. But with the final divorce of the worker from the ownership of the means of production, the small local clubs of skilled craftsmen were gradually superseded by the trade-union movement.

The essential feature of capitalism, that is to say of the economic system foreshadowed in the earlier decades of the eighteenth century and realised in the era of the Industrial Revolution, is the separation of the worker from the ownership of the appliances and machinery with which he worked, and the consequent subjugation of labour to the capitalist who owned the means of production. The "class war" is not an invention of agitators; it is a fact, the inevitable result of a system which placed the many under the domination of a few who possessed economic power. The situation was not accurately diagnosed by the workers until after the capitalist organisation of industry had become firmly established. Though the inauguration of trade unions was an instinctive movement towards self-protection against the abuses of the time, it was necessitated by the helplessness of the working-class divorced from the instruments of production.

Trade unionism was the only weapon which lay to the hand of the industrial workers, for they were without political power. Craftsmen in one trade after another had appealed to Parliament for protection against the gradual degradation of their standard of life. The first fruits of the Industrial Revolution were bitter in the mouths of the new proletariat. Its view of the effects of the industrial changes was not of Britain as the workshop of the world: it saw starvation wages and unemployment as the offspring of the new machinery. Parlia-

[1] *The History of Trade Unionism*, by Sidney and Beatrice Webb. 1920 edition, p. 46.

ment took little heed of the appeals which were made. Its temper was rapidly changing under the influence of the ideas of free competition—so cogently expressed by Adam Smith in *The Wealth of Nations*. The detailed regulation of industry which had been for long an accepted function of the legislature now found less and less support. The teachings of philosophers and the atmosphere created by the industrial inventions and consequent industrial reorganisation combined to produce the practical policy of *laissez-faire*.

Industrial action was therefore the only expedient to which the workers could look. The early unions, such as those of the tailors' cutters, weavers, and woolcombers, which sprang into existence at the beginning of the eighteenth century, were followed by others as the century wore on. But they were not allowed to develop unchallenged. Statutes against combinations had for centuries been part of the fabric of English law,[1] but the prohibition of combination was "only a secondary feature incidental to the main purpose of the law," [2] which was the regulation of industry by the State. The potential danger of trade unions as a challenge to the new order was not clearly perceived by the governing classes until the end of the eighteenth century, when the French Revolution instilled into the minds of legislators a fear of all popular movements. Moreover, combinations of workpeople were distinctly out of harmony with the political and social ideas which were in the ascendant.

Hence it was that the Combination Laws of 1799 and 1800 were passed, to use the words of Pitt, as "a remedy to an evil of very considerable magnitude . . . that of unlawful combination among workmen in general—a practice which had become much too general, and was likely, if not checked, to produce very serious mischief." [3] It is true that these Acts operated against associations of employers, but it has been said that "during the whole epoch of repression, whilst thousands of journeymen suffered for the crime of combination, there is no case on record in which an employer was punished for the same offence." [4] The Combination Acts [5] were, in effect,

[1] For the special character of these Acts see *Labour Legislation, Labour Movements and Labour Leaders*, by G. Howell, pp. 21–42, and *History of Trade Unionism*, by S. and B. Webb, 1920 edition, pp. 65 *et seq.*

[2] Webb, *op. cit.*, p. 68.

[3] Quoted in *The Town Labourer*, by J. L. and B. Hammond, p. 119.

[4] Webb, *op. cit.*, p. 73.

[5] For their main provisions, see *English Economic History, Select Documents*, edited by A. E. Bland, P. A. Brown, and R. H. Tawney, pp. 626 *et seq.*

measures for the suppression of trade unionism. Their passage into law inaugurated a quarter of a century of savage repression on the one hand and revolt on the other. The action of Sir John Sylvester—"Bloody Black Jack"—in sentencing nineteen journeymen-printers employed by *The Times* to periods of imprisonment varying from nine months to two years for combining "to injure their masters and employers by quitting their work on account of their demands for an increase of wages not being acceded to," can readily be paralleled by cases of judicial barbarity against workpeople in other parts of the country.

Though some of the older craft unions were not driven by repression to revolt, in many industries, more especially those which had been invaded by power-driven machinery, the effect of the Combination Laws was to convert the unions into secret clubs, with unlawful oaths and seditious emblems. During this period occurred serious outbreaks of "direct action." The Luddites in Nottinghamshire, Lancashire, and Yorkshire alarmed the Government and the ruling classes generally. The history of the Luddite riots is a tangled story of revolt against certain kinds of machinery, of revolutionary sentiment, and of intrigues of the *agent provocateur*.[1] There was a widely held view as to the existence of a great "conspiracy," of which the trade unions were deemed to be the chief instruments, against the established order. There can be no doubt that, even during the period when the Combination Laws were in force, trade unionism extended. There was also a growth of solidarity, as may be seen by the formation of joint committees of local trades for common action and by the financial assistance given by unions in one locality or trade to those in another.

The movement for the repeal of the Combination Laws was led by Francis Place,[2] a London tailor, who assiduously compiled an enormous mass of evidence relating to their operation. His name stands high amongst the great figures in the Labour calendar, though he was less representative of Labour than such contemporaries as Lovett or Cobbett. In his work for the overthrow of the Combination Acts he had a powerful ally in Joseph Hume, through whose efforts Parliament was ultimately induced to repeal these laws.

The opposition to the Combination Laws began to find expression in spasmodic political propaganda, which was met by the Government—fearful of a possible revolution—with

[1] See *The Skilled Labourer*, by J. L. and B. Hammond.
[2] See *Life of Francis Place*, by Graham Wallas.

further repressive measures in the shape of the notorious Six Acts passed in 1819. These Acts practically suppressed public meetings, imposed a crushing stamp duty on small pamphlets, and rendered more stringent the law relating to seditious libels. Two of the Acts were directed against the possession of arms and military training for unlawful purposes. This tyranny crushed the incipient popular movement for the repeal of the Combination Laws; but what popular agitation was unable to effect, Francis Place's skilful generalship achieved. Hume moved in 1823 in the House of Commons for a Select Committee to inquire as to the emigration of artisans, the exportation of tools and machinery, and the Combination Laws. The Committee, of which Hume was chairman, took a large amount of evidence (which was organised by Place), and presented a number of resolutions [1] in which the repeal of the Combination Laws was recommended. Legislation with this object was introduced in 1824 and a further Bill was passed through both Houses in 1825 without a division.

New combinations, some local and some national in their scope, sprang into tumultuous existence. This activity, however, was short-lived. Almost immediately there followed a period of serious unemployment. During the years of depression the trend of trade-union thought changed, and with the renewal of normal trade a new chapter in the history of organised Labour was opened. Trade unions increased in numbers and membership, but the significance of the thirties lies in a fuller conception of the solidarity of Labour (which it was thought to achieve by "One Big Union," but was more successfully realised in the various national unions which were established) and in the conception of a new Utopia. The teachings of Robert Owen [2] found a ready acceptance amongst the more intelligent workers.

The exclusion of the working-class from the benefits of the Reform Act, the passage of which the agitation of the masses had done much to secure, and the recurrent trade depressions with their accompaniment of serious unemployment provided an atmosphere of discontent with the existing order in which the ideal of a new society flourished. Owen's syndicalist proposals for the control of each industry by the organised workers made a powerful appeal to the trade-union movement.

[1] These resolutions are reprinted in *Economic Annals of the Nineteenth Century*, 1821–1830, by W. Smart, pp. 228 *et seq.*

[2] See the *Life of Robert Owen*, by himself, and *The History of Socialism*, by M. Beer, vol. i.

The conception of national trade unions—industrial unions as they would now be called—had already gripped the employees in many trades, and it was not surprising that the ideas of Owen should have met with a considerable response.

The spirit of class antagonism was growing, though it was by no means widespread. In 1829 the unemployed workers of Leeds, for example, declared that " we, the operatives, by no means wish to assume a situation that does not belong to us, yet we are well aware that Labour is the only source of wealth, and that we are the support of the middle and higher classes of society." As an alternative to capitalism, trade unionism turned to the idea of a system of co-operative production.

But if the working-class movement of the thirties derived its ideal from Owen, it looked elsewhere for its strategy. Though it cannot be said that the National Union of the Working-Classes, and its organ *The Poor Man's Guardian*, ever represented more than a minority of revolutionary thinkers, there is no doubt that William Benbow—one of the active supporters of the National Union—won considerable support for his policy of the general strike. The Grand National Consolidated Trades Union of Great Britain and Ireland, founded in 1834, and conducted on the " One Big Union " plan of enrolling members from all industries, intended to call a general strike, but it frittered away its substance in local disputes.

In the midst of the ambitious projects of the trade unions at this time, and whilst revolutionary sentiment was temporarily sweeping through the movement, working-people were engaged in " reformist " activities. During the thirties the Short-time Committees sprang into existence. Their purpose was to secure factory legislation regulating hours of labour. These Committees, which operated chiefly in Lancashire and Yorkshire, were described by the *Leeds Mercury* as " a strange combination of Socialists, Chartists, and ultra Tories." Tories like Richard Oastler and Michael Thomas Sadler; Radicals such as John Fielden, an enlightened employer and M.P. for Ashton, and Joseph Brotherton, M.P. for Salford, supported the Short-time movement. One of the most prominent trade unionists connected with the Short-time Committees was John Doherty, the leader of the Lancashire Cotton Spinners and a Chartist.[1] It would take us too far afield to follow the history

[1] Mr. and Mrs. Hammond say of him that he was " a man of vision, knowledge, and great public spirit." For an account of his trade-union and propagandist activities, see Webb, *History of Trade Unionism*, pp. 117–18, and Hammond, *The Skilled Labourer*, pp. 129–31.

of the factory-reform agitation.[1] It is sufficient here to point out that during the ebb and flow of trade unionism, during the course run by the Chartist agitation, and whilst the co-operative movement was establishing itself, large numbers of workpeople were taking an active part, in co-operation with the philanthropic Tory reformers and certain far-sighted and enlightened Radicals, in securing the regulation of the hours and conditions of labour of children, young persons and women. Huge meetings, overshadowing in size even modern Labour gatherings, were held, great processions were organised and leaflets published. The conditions under which juveniles worked in the factories of the north were disgraceful; but the Labour support given to the factory-reform movement, whilst sincere in desiring more drastic regulation of the labour of young persons, was also due to the fact that by the limitation of the hours of labour of the young, the hours of labour of adults would also be regulated.

In the meantime, whilst pressure was being brought to bear upon Parliament in the direction of more effective regulation of labour conditions and hours of employment in factories, workshops, and mines,[2] the Chartist movement rose and passed its zenith. Chartism has recently attracted the interest of social historians, both in this country and abroad, and much new light has been thrown upon one of the great formative democratic movements of the nineteenth century.[3] The movement was in its way as significant as the rise of trade unionism or the Co-operative Movement. These movements sprang from the working-class. The temper of Labour found expression through three interwoven movements—Trade Unionism, Chartism, and Co-operation. They each represented a revolt against the established order. Labour was groping towards a conception of an alternative form of society, and though Chartism was concerned primarily with political reform, its ultimate purpose, as Mr. Hovell has said, was social regeneration. Some Chartists were "socialists," and had a vision, however vague, of a new society, but Chartism made no direct contribution to Labour's social ideal, though it was regarded as providing the prerequisites of a new order. Its main business was the realisation of political democracy.

[1] See *A History of Factory Legislation*, by B. L. Hutchins and A. Harrison.

[2] Conditions in the mines were indescribable. The first Mines Act (1842) was the most drastic industrial measure up to that time, as it excluded women and juveniles of both sexes from the mines.

[3] See *The Chartist Movement*, by Mark Hovell, *Chartism*, by Julius West, and *A History of British Socialism*, by M. Beer (2 vols).

II

THE ESTABLISHMENT OF TRADE UNIONISM

THE Reform Bill of 1832 which excluded the mass of people from the franchise was a bitter disappointment to the conscious section of the working-class, and the attack upon trade unionism of the reformed Parliament controlled by the middle-class drove home the need for democratic political machinery. The London Working Men's Association which was founded in 1836 with Lovett, Hetherington, Watson, and Cleave as the leading spirits, inaugurated the Chartist movement.[1] Its objects were "to draw into one bond of unity the intelligent and influential portion of the working-classes in town and country" and "to seek by every legal means to place all classes of society in possession of equal political and social rights." The L.W.M.A. was followed by a hundred others in various parts of the country. The London Association exerted a profound influence on the thoughtful section of the working-class. Its Report on "The Rotten House of Commons" contained the proposals for reform later incorporated in the "People's Charter." In spite of the unfortunate quarrel between Lovett and Feargus O'Connor—the latter a demagogue of the worst type—the movement made great headway. The collapse of the meteoric trade-union revival, the demand for factory reform, and the increasing resentment against the New Poor Law of 1834 [2] fed the flames of discontent, and the L.W.M.A. and its daughter Associations undertook propaganda work on a considerable scale. The "People's Charter" issued in 1838 united practically the whole of the Radical working-men throughout the country on a programme of political reform. The Charter's famous "Six Points" included manhood suffrage, annual Parliaments, the ballot ballot, and payment of members. It has been said that the London Working Men's Association died in giving birth to the Chartist agitation. Though it continued in existence for some years, its influence gradually diminished.

[1] Francis Place was made an honorary member of the Association, but his outlook was unsympathetic towards the dominant trend of thought amongst the active members of the L.W.M.A.

[2] There was in the north a very violent agitation against the new Poor Law, led by Oastler and J. R. Stephens. Both were factory reformers and the latter was also a Chartist. Local Committees, many of them really the "Short-time Committees," took part in the crusade, which was a popular demonstration of hatred of the new Law. The movement, however, was not effectively organised, and "it passed," says Mr. Hovell, "into Chartism."

The movement became one of mass agitation. But it was not long before dissensions appeared. The turbulent "physical force" Chartists of the north declared that only by insurrection could the Charter be obtained. Opposed to them were those who pinned their faith to the appeal to reason and orderly propaganda. In the north of England Chartism was not merely a political movement; its driving force was economic. As a movement, so far as the northern counties were concerned, it gathered up the sullen discontent created by industrial conditions, poverty, and the new Poor Law. These influences never to the same extent dominated the Chartists of London and the south.

The first stage in the history of Chartism closed with the rejection by the House of Commons (1839) of the National Petition prepared by the Chartist Convention. When the Convention reassembled, a resolution was passed which declared in favour of a general strike. There were wholesale arrests of active Chartists, and Chartist newspapers were driven to suspend publication. Notwithstanding the efforts made to suppress the movement, Chartism survived. A second Great Petition was prepared in 1842; but there was no united leadership. A strike on a wages issue in a Lancashire town spread throughout Lancashire and Yorkshire and became a strike for the Charter. But the Chartist movement had by now passed its zenith. Its members continued to be persecuted; and though O'Connor declared in 1844 that "Chartism is not dead but sleeping," it had spent its force. It flickered into life with the heat of the European revolutionary movement; but it finally came to an end when its energies were dissipated amongst the many sects into which it became broken.

Yet Chartism had not been in vain. It contributed to the growth of co-operation and trade unionism; it gave its generation a political education; in its later stages it imbued the working-class movement with international sentiment; and its very existence was a powerful motive in driving the country along the road of social and industrial reform. From violent propaganda the working-class turned to constructive effort. After the collapse of Chartism, the co-operative and trade-union movements made great headway. Instinctively, it seemed, Labour realised that it was unable to force its will on the governing classes politically, and that its salvation lay through weapons forged by itself for its own protection.

Co-operation originated before the Chartist movement, and the first co-operative society arose whilst trade unionism was

under the ban of the Combination Laws. "The earliest co-operative societies of British working-men of which we have any clear record were isolated corn-mills and baking societies —associations of consumers originating in a growing resentment among the poorer classes against the extortions of millers and makers through monopoly prices." [1] The movement attained larger dimensions under the stimulus of Robert Owen, whose views working-men tried to embody in "union shops" which were trading associations of consumers. Most of the co-operative enterprises of this period appear to have collapsed by about 1834, but not before the movement had won enthusiastic supporters. The root of the co-operative movement of to-day is to be found in the Society founded in 1844 by the "Rochdale Pioneers"—a group of twenty-eight working-men with a democratic tradition derived from the movements with which they had been associated. The personnel of the Rochdale Pioneers is interesting as showing how interwoven were the various forms of expression of the working-class movement. It included trade unionists, Chartists, and Owenite socialists.[2]

The Rochdale Society with its democratic method of government and its device of "dividends on purchases" laid the foundations of the modern distributive co-operative society. The movement spread from Rochdale to other Lancashire towns and to Yorkshire. Societies were also established in Scotland, and about the middle of the nineteenth century there were 130 co-operative societies in the north of England and in Scotland, ranging in membership from perhaps a score to 800 in the case of Rochdale. Many of the Scottish societies dated from the days of the earlier co-operative movement. There is no doubt that the new movement took its rise largely from the economic conditions of the time. In some cases societies were formed after an unsuccessful strike during which the traders refused the workers credit; in other cases, as Mrs. Webb has pointed out, "a general desire on the part of the factory hands to emancipate themselves from the truck system and the forced tenancy of masters' cottages was an exciting cause of no mean strength." [3] No doubt, in the majority of instances the active spirits were "socialists" and men of advanced views.

The chief productive enterprise of the societies was corn-

[1] *The Co-operative Movement*, by B. Potter, p. 41.

[2] Miss Potter (Mrs. Sidney Webb) says that, "while Rochdale co-operation was the joint outcome of the Trade Union, Chartist, and Socialist movements, the leaven was purely Owenite." *Op. cit.*, p. 61.

[3] *Op. cit.*, p. 76.

milling; many of the flour mills, started by individual societies, became federal enterprises to which other societies were admitted as members, a development of considerable importance.

The movement, therefore, initiated by the poor flannel weavers of Rochdale soon began to assume considerable proportions, but it was hampered by the fact that the societies enjoyed no legal status. Though the Friendly Societies Act of 1836 gave co-operative societies which registered under it certain privileges, their corporate existence was not effectively secured. From the practical point of view the co-operative societies suffered because they could deal only with their members. The result was to impose an obstacle to increasing public interest in the stores and occasionally to embarrass the societies. For example, the Leeds Corn Mill "naturally produced bran as well as flour, could sell its flour to its members, and its bran also, if its members wanted it. But the members, not being rabbits, did not want the bran; and at one time the Corn Mill Society had as much as £600 worth of bran accumulated in their stores which they were unable to sell to outside buyers."[1] Co-operative Societies could only invest their money in savings banks and Government securities. One society could not help another by means of a loan. A member of a co-operative society was responsible for all the debts of his society. These were obviously serious obstacles to the growth of the co-operative movement.

The Industrial and Provident Societies Act of 1852, it has been said, "was the Magna Charta of co-operation."[2] The Act was passed largely through the active support of the Christian Socialists—Kingsley, Maurice, Ludlow, Hughes, Neale, and others, who were energetically promoting "producers' co-operation." It authorised the promotion of societies by the voluntary subscriptions of the members for attaining any purpose permitted by law "by carrying on in common any labours, trades, or handicrafts, except in working mines, minerals, or quarries, beyond the limits of the United Kingdom of Great Britain and Ireland, and the business of banking." By this measure—and subsequent amending legislation—the co-operative movement became a recognised institution in our national life.

The Act of 1852 was followed by a great development of co-operation and particularly of productive departments of

[1] *The History of Co-operation*, by G. J. Holyoake, 1908 edition, p. 290.
[2] *Consumers' Co-operative Societies*, by Prof. Chas. Gide (English translation), p. 181.

the stores. The movement once established inevitably travelled towards large-scale operations, mainly through the policy of federation. At the various conferences which were held the establishment of general co-operative institutions for wholesale buying and manufacture repeatedly came under discussion. In 1863 the North of England Co-operative Wholesale Society was founded and became the foundation on which the English C.W.S. was built. In 1867 a Scottish Co-operative Wholesale Society sprang into existence.[1] These developments opened a new chapter in the history of the Co-operative movement. The Wholesale Societies started in a humble way, primarily as wholesale buying agencies for the individual co-operative societies. The enthusiasm of the moving spirits of the English Society and the obvious economic advantages of co-operative production led very soon to the extension of its activities, and within a decade of its foundation some works at Crumpsall were purchased as a biscuit factory.

In the meantime associations of producers had arisen. The co-operative societies to which reference has been made above were associations of consumers. But the Christian Socialists, fired by the example of the French *Associations Ouvrières*, sought to develop co-operation amongst producers by means of co-partnership enterprises. Their agitation was assisted by a number of unsuccessful strikes, as a result of which workers here and there fell back upon associative workshops. These experiments for the most part collapsed or became mere profit-making concerns.

The rise of the co-operative movement coincided with the rebuilding of trade unionism. Chartism, the anti-Poor Law agitation, the Factory Reform Movement, and the Anti-Corn Law League thrust into the background the spectacle of the ruined fabric of the grandiose trade unionism of the thirties. The foundations, however, still remained intact. During the forties and particularly after the trade depression in the second half of the decade trade union policy was conservative. Its main efforts were directed to organisation, and it was in this period that many of the great unions of the present time had their origin. Trade-union membership grew and union funds increased, whilst many amalgamations took place. In the sixties the trade-union movement was permanently established. Besides the various unions there had sprung into existence trades councils, which were local federations of trade-union branches ;

[1] See *The Story of the C.W.S. The Jubilee of the Co-operative Wholesale Society, Ltd.*, 1863–1913, by Percy Redfern.

so that in addition to the trade unions there were associations of the representatives of the different trades in the localities. Though the trade-union movement as a whole was still relatively small, it was formidable enough to alarm employers, and energetic and powerful enough to succeed in 1867 in bringing sufficient pressure to bear to secure the passage of the Master and Servant Act which remedied the gross injustices of the previous law on the subject. Yet in 1868 when the first Trades Union Congress assembled the delegates represented only 118,367 members, though this was not the total strength of the trade-union movement.

But the general situation was not hopeful. Employers endeavoured to stifle the unions by means of lock-outs; and acts of terrorism, known as the "Sheffield outrages," were used to foment feeling against trade unionism. It was useless for trade unionists to attempt to dissociate themselves from the outrages; they demanded an inquiry, and a Royal Commission of Inquiry into the organisation and rules of trade unions was appointed. Organised Labour suffered another blow in the courts when it was declared that as a trade union was an illegal combination it could not protect its funds under the Friendly Societies Act.

Fortunately the trade-union movement was in the hands of a group of capable leaders who won the confidence and active support of "intellectuals" like Frederic Harrison, Prof. E. S. Beesly, "Tom Hughes," and Henry Crompton. The Royal Commission of Inquiry on which Harrison and Hughes sat reported much more favourably than might have been expected and even went so far as to recommend the legalisation of trade-unions, though on conditions which were unacceptable. A minority report written with great skill put forward the trade-union case and made detailed recommendations as to the necessary legal reforms. After two years' active agitation the Government passed the Trade Union Act 1871, as a result of which trade unions were no longer illegal merely because they were "in restraint of trade"; they were entitled to be registered, and to the protection of their funds. The new Act gave the unions a new status, but further legislation embodied in the Criminal Law Amendment Act imposed heavy penalties on "picketing" and "watching and besetting." This roused great indignation in the labour world, and the whole energies of the trade unions were directed towards the repeal of the latter statute. The Act, however, was put into operation, and innumerable convictions took place under it. In 1871, for

example, seven women in South Wales were imprisoned for saying "Bah" to a blackleg. In 1872 a number of London gas stokers were found guilty of "conspiracy" to coerce or molest their employers by preparing for the simultaneous withdrawal of their labour and sentenced to a year's imprisonment.

At the General Election of 1874 (when the trade unions were more powerful than they had ever been before) the Liberal Party was swept out of office, partly, there is no doubt, because of its refusal to deal with the Criminal Law Amendment Act. The Conservative Government wasted little time before introducing and passing into law the Conspiracy and Protection of Property Act, 1875, whilst the Master and Servant Act, 1867, was replaced by the Employers and Workmen Act. Under the latter employer and employee became two equal parties to a civil contract, and imprisonment for breach of engagement was abolished. By the former Act peaceful picketing was legalised, whilst it was laid down that no act committed by a group of workmen was henceforth to be punishable unless the same act by an individual was itself a criminal offence. As Mr. and Mrs. Webb have expressed it, "collective bargaining . . . with all its necessary accompaniments was, after fifty years of legislative struggle, finally recognised by the law of the land." [1]

The results of the emancipation of organised labour from the criminal law were not at first apparent, for the rapid growth of trade union membership during the earlier seventies was followed by a period of serious depression, during which trade union funds were dissipated whilst membership declined.

III

THE GROWTH OF TRADE UNIONISM

THE period of recovery showed that notwithstanding the serious crisis through which it had passed trade unionism was firmly established, thanks to a generation of able leaders—Allan, Applegarth, Odger, Howell, Macdonald, Newton, and others. The outlook of the trade-union movement of that day, however, was by no means "advanced." It had more or less accepted capitalism, and its policy was primarily defensive. But in the eighties the outlook and policy changed under the influence of Socialist doctrine and the development of a system of public education. The vague idealism of the

[1] *The History of Trade Unionism* (1920 edition), p. 291.

early movement, which had been thrust into the background whilst trade unionism was fighting for its life and devoting its energies to organisation, revived under the stimulus of education and propaganda. The movement had been coloured by the individualistic philosophy of the time. It now put itself in opposition to capitalism. The teachings of Henry George and the propaganda of the Social Democratic Federation and the Fabian Society (both founded in 1883) were mainly responsible for the new trend of trade-union thought. H. M. Hyndman, Belfort Bax, William Morris, Sidney Webb, and Bernard Shaw were active in the dissemination of doctrines which destroyed in the trade-union movement the old adherence to orthodox political economy.[1]

Trade unionism became more militant. The membership of the old craft unions rapidly increased, and unionism spread to the less skilled workers. The formation of the Gas Workers and General Labourers' Union (now the National Union of General Workers) in 1889 and the great Dock Strike for "the dockers' tanner" mark an epoch in the history of the trade-union movement.[2] The victory of the dock-workers gave a great impulse to unionism amongst the semi-skilled and unskilled labourers.

Socialist propaganda had in the meantime made great headway, and three independent working-class candidates—Keir Hardie, John Burns, and Havelock Wilson—were elected to Parliament at the General Election of 1892. The following year saw the establishment of the Independent Labour Party. The trade-union movement, which was increasing in strength, was still not converted to independent political action, though there was a growing body of opinion which favoured political action under the Labour flag. In 1899 the Trades Union Congress passed a resolution instructing its Parliamentary Committee "to invite the co-operation of all the Co-operative, Socialist, Trade Union and other working-class organisations . . . in convening a special congress of representatives from such of the above-mentioned organisations as may be willing to take part, to devise ways and means for the securing of an increased number of Labour members to the next Parliament." Liberal-Labour politics had now had their day. In the following year the Labour Representation Committee was formed and the political Labour movement definitely launched.

[1] Beer, *History of British Socialism*, vol. ii, and Pease, *History of the Fabian Society*.

[2] See *The Story of the Dockers' Strike*, by H. Llewellyn Smith and Vaughan Nash.

One of the most powerful factors in the development of the political Labour movement was the famous Taff Vale case. In 1900, in the course of a strike of the workers on the Taff Vale Railway, there was "a certain amount of tumultuous picketing and other acts of an unlawful character." The company sued the Amalgamated Society of Railway Servants, and the union was compelled to pay damages amounting to £23,000. The decision of the Law Lords was a bombshell. "The effect of this momentous judgment," say Mr. and Mrs. Webb, "was, in flagrant disregard of the intention of the Government and of Parliament in 1871–6, to impose upon a trade union, whether registered or not, although it was still denied the advantages and privileges of incorporation, complete corporate liability for any injury or damage caused by any person who could be deemed to be acting as the agent of his union, not merely in respect of any criminal offence which he might have committed, but also in respect of any act not contravening the criminal law which the judge might hold to have been actionable." [1] In the pungent words of Mr. C. M. Lloyd: "It was a staggering blow . . . when the House of Lords held that a union, though not strictly a corporation, possessed all the essential qualities of a corporation that its enemies required." [2]

The proposal shook the trade-union movement to its foundations; for, as Mr. Lloyd has said, "no society in a dispute could now feel itself safe, however carefully its officers and members might act; the engine of the law might be all too easily made an engine of oppression; and the funds of any union which should dare to make a move were liable to be swept into the pockets of lawyers and employers." [3] It is not surprising that the affiliated membership of the newly established Labour Representation Committee should have grown by leaps and bounds. In 1901–2 the total membership amounted to 469,000; in the following year it reached 861,000, and in 1903–4 it had nearly touched 1,000,000. In the words of Mr. Beer, "the meaning of the Taff Vale decision was beginning to be thoroughly understood by the organised masses; political action became the leading question, for the trade unionists saw that new legislation was necessary in order to remove the paralysis which had overtaken their organisations in consequence of the Taff Vale decision." [4]

[1] Webb, *History of Trade Unionism*, p. 601.
[2] C. M. Lloyd, *Trade Unionism*, p. 39.
[3] *Ibid.*
[4] Beer, *History of British Socialism*, vol. ii, p. 322.

At the General Election in January 1906 the Labour Representation Committee put fifty candidates in the field, of whom twenty-nine were elected. This sensational success created a great stir in the country. It was felt that a new force had appeared in public life, and though the House of Lords disliked the Trade Disputes Bill which was introduced into the House of Commons it did not reject it, though the measure was in reality the Bill of the Labour Party. The feeling in the country regarding the Taff Vale decision and the results of the General Election made a revision of trade union law inevitable, and the Trade Disputes Act was passed to remedy the grievance created by the judgment of the Court in the Taff Vale case. This Act is the bedrock of trade unionism. It specifically provides that no civil action shall be entertained against a trade union in respect of any wrongful act committed by or on behalf of the union. It also legalised peaceful picketing, provided " that an act done by a combination of persons in furtherance of a trade dispute shall not be actionable if it would not have been actionable if done by one person," and made acts done in " restraint of trade " not actionable.

The Act was a triumph for trade unionism and a justification of political action; but in spite of this, and notwithstanding the passage of other legislation such as the Miners' Eight Hours Act and the Trade Boards Act providing for the fixing of legal minimum wages in sweated trades, there was a reaction in favour of industrial action. The high hopes entertained when an independent Labour group of twenty-nine members was returned to the House of Commons were not realised. Capitalism did not surrender. Labour was unable to impose its policy on the House of Commons. In industry there was discontent accentuated by the steady rise in prices, and but for a new onslaught on trade unionism, political Labour would for a time have been under a cloud.

Mr. W. V. Osborne, a branch secretary of the Amalgamated Society of Railway Servants, took legal proceedings (1908) to restrain the union from utilising its funds for political purposes. The legality of trade unions spending their funds on political objects had not up to that time been seriously questioned.[1] Trade unions had taken part in the struggle for the extension of the franchise. Trade-union funds were devoted to the

[1] In 1905 the matter was raised by a number of plumbers asking for the return of their contributions paid for political purposes. Though this particular case was amicably settled, it was deemed desirable to consult counsel. Lord Loreburn and Sir Edward Clarke both gave it as their opinion that the Trade Union Acts were no obstacle to political action.

promotion of Parliamentary candidates immediately after the enfranchisement of the town workers in 1867, and from 1874 onwards the payment of trade-union members of Parliament out of union funds had been a common practice. Mr. Osborne lost his case in the Chancery Court, but with financial assistance from capitalist sources he took the case to the Court of Appeal, where the judges, to the astonishment of those familiar with trade-union history and customs, reversed the decision of the Chancery Court. On appeal to the House of Lords, the judgment of the Court of Appeal was upheld. Mr. Osborne therefore was entitled to restrain his trade union from making a levy on its members or using any of its funds for the purpose of supporting the Labour Party or maintaining Members of Parliament.[1]

This momentous decision was a shattering blow to trade unionism. Carried to its logical conclusion, it rendered *ultra vires* a considerable number of trade-union activities. It not only became illegal for a trade union to embark on political action, even if such a course were supported by the whole body of its members, but on any activities not included in the list of functions incidentally laid down in the Act of 1876. Consequently support of the Workers' Educational Association, the establishment of scholarships to Ruskin College, and the publication of newspapers were to be illegal. The Osborne judgment was regarded as an attempt to hamstring the new political Labour movement, and though it did not succeed it did place a new difficulty in the way of its development and create trouble for the trade-union movement. Individual trade unionists with financial support from capitalist sources sought and obtained injunctions to restrain the unions of which they were members from using funds for " political " objects. Fortunately for the Labour movement, very many trade unions raised voluntary political funds, and the House of Commons was induced to concede payment of members (1911).

The two General Elections of 1910 increased the strength of the Labour Party in the House of Commons, for the miners' representatives who hitherto had kept their allegiance to Liberalism joined the new Party. It was not until 1913 that the Government tackled the situation left in the trade-union world by the Osborne judgment, when it passed into law the Trade Union Act which permitted unions to engage in any lawful purposes that their members desired. " This concession was, even then, made subject to any objecting member

[1] See *History of Trade Unionism*, by S. and B. Webb, pp. 608–31.

being enabled to withhold that part of his contribution applicable to political purposes—an illogical restriction, because it applied only to the dissentient's tiny fraction of money, and he was not empowered to prevent the majority of members from using the indivisible corporate power of the union itself. This restriction, not put upon any other corporate body, was universally believed to have been imposed in the assumed interest of the Liberal Party, with the object of crippling the political influence of trade unionism; and it is still bitterly resented." [1]

The adverse effects of the new Act upon the Labour Party were temporary, as the following table shows:

MEMBERSHIP

Date	Trade Unions		Trades Councils and Local Labour Parties	Socialist Societies		Total [2]
	No.	Membership	No.	No.	Membership	
1900–1	41	353,070	7	3	22,861	375,931
1901–2	65	455,450	21	2	13,861	469,311
1902–3	127	847,315	49	2	13,835	861,150
1903–4	165	956,025	76	2	13,775	969,800
1904–5	158	855,270	73	2	14,730	900,000
1905–6	158	904,496	73	2	16,784	921,280
1906–7	176	975,182	83	2	20,885	998,338
1907	181	1,049,673	92	2	22,267	1,072,413
1908	176	1,127,035	133	2	27,465	1,158,565
1909	172	1,450,649	155	2	30,982	1,486,308
1910	151	1,394,402	148	2	31,377	1,430,539
1911	141	1,501,783	149	2	31,404	1,539,092
1912	130	1,888,178	146	2	31,237	1,895,498
1913 [3]	—	—	158	2	33,304	—
1914	101	1,572,391	179	2	33,230	1,612,147
1915	111	2,053,735	177	2	32,838	2,093,365
1916	119	2,170,782	199	3	42,190	2,219,764
1917	123	2,415,383	239	3	47,140	2,465,131
1918–9	131	2,960,409	389	4	52,720	3,013,129
1919	126	3,464,020	418	7	47,270	3,511,290
1920	122	4,317,537	492	5	42,270	4,359,807
1921	116	3,973,558	456	5	36,803	4,010,361
1922	108	3,278,476	547	5	31,760	3,310,236

[1] Webb's *History of Trade Unionism*, p. 687.

[2] This column includes the membership of the Co-operative and Women's Labour League affiliations, in addition to those of the Trade Unions and Socialist Societies.

[3] Owing to the operation of the Osborne judgment it was impossible to compile membership statistics for 1913.

These figures also reflect the gradual growth of trade-union membership.[1] By the end of the nineteenth century trade unionism had obtained a firm hold on the workers. The main features of the twentieth century have been the influence exerted upon legislation by the growing power of organised Labour and the effects of much of this legislation upon the development of trade unionism, and the consolidation which has taken place by means of the processes of federation and amalgamation.

The Trade Disputes Act (1906), the Trade Boards Act (1908), the Coal Mines Regulation (Eight Hours) Act (1908), the National Insurance Act (1911), the Coal Mines (Minimum Wage) Act (1912), the Trade Union Act (1913), the Corn Production Act (1917), which established the Agricultural Wages Board, since abolished, the Trade Boards Act (1918), and the Unemployment Insurance Act (1920), all mark the influence of organised Labour, and all these measures in their various ways assisted the growth of membership and the organisation of the trade-union movement. There is a tendency to-day for the Government to consult with representatives of the Labour movement before it commits itself to a policy vitally affecting the industrial interests of the workers. This in itself is an indication of the place which trade unionism now occupies within the State.

It is impossible within moderate compass to give anything approaching even a reasonably comprehensive account of the developments in the trade-union movement during the twentieth century. Generally speaking, the tendency has been towards federation and amalgamation. The disappointment which was felt when the small Labour Party returned to the House of Commons in 1906 and again in 1910 failed to secure the establishment of a new social order led to a reaction against political action and in favour of industrial action. The steady rise in the cost of living (which had begun in 1896) and the fall in wages during the opening years of the century were immediate causes of unrest. The spread of education and the vast increase in the wealth of the country contributed to intensify the widespread discontent.

[1] Figures relating to trade unionism are given below, p. 217.

IV

AMALGAMATION

During the quarter of a century prior to the War the trade-union movement was under the influence of State Socialist doctrine. The resolutions of the Trades Union Congress were collectivist in tone; they expressed the demand of organised labour for something much more than modifications of the existing economic system; they aimed at a reconstruction of industry based on the elimination of the private ownership of the means of production. And though the methods of this period were both political and industrial, more was hoped from legislation than from industrial action. But there was before the War an undoubted change in the temper of British Labour. The syndicalism of France and the Industrial Unionism of Australia and America met with a response in this country. *The Miners' Next Step*, with its open avowal of the policy of the mines for the miners, though but a modest pamphlet, was a significant indication of the trend of thought amongst the younger leaders of the South Wales Miners' Federation. It expressed a growing conviction, not confined to the miners of South Wales, that State Socialism though eliminating the private profit maker would not necessarily eradicate the fundamental evils of the industrial order so far as the producer was concerned. There was a recognition of the possible divergence of interest between the producer and the consumer. State Socialism emphasised the consumer; the syndicalist movement emphasised the producer. The former regarded the State as the deliverer, the latter sought salvation through the trade union.

The agitation of the industrial unionists and the syndicalists is of interest because it gave a new importance to the trade unions and strengthened the movement towards federation and amalgamation. But the Labour movement did not fall under the spell of syndicalism, though its insistence upon the rights of the producer powerfully influenced the trend of trade-union thought. A new synthesis was needed and was tentatively supplied by Guild Socialism, which whilst embodying the principle of public ownership, incorporated with it the principle of industrial self-government.[1] The doctrine of the Guild Socialists has exercised a considerable influence on the

[1] There is now a large body of literature dealing with Guild Socialism. Mr. G. D. H. Cole's *Guild Socialism Restated* is a useful introduction.

trade-union movement, as may be seen from the resolutions adopted at recent Trades Union Congresses and Labour Party Conferences. The reconstruction of industry on the basis of national guilds was a conception which gave a new impetus to trade-union organisation on the lines of industrial unionism.

The development and present position of trade unionism amongst the railway workers [1] illustrate the tendency towards consolidation and the obstacles to industrial unionism as well as the changed temper and outlook of organised Labour. The Amalgamated Society of Railway Servants, founded in 1871, was originally a union of an essentially conservative type, but it was profoundly influenced by the growth of militant trade unionism towards the end of the eighties. The United Pointsmen and Signalmen's Society and the Associated Society of Locomotive Engineers and Firemen were founded in 1880. The General Railway Workers' Union was established in 1889. Thus when the last decade of the nineteenth century opened there were four trade unions of railway workers. The only other important union founded was the Railway Clerks' Association, which came into existence in 1897. The "all grades" movement, which began in 1906 with the object of securing uniform conditions for all classes of workers and the recognition of the unions, marked the opening of a new chapter in railway trade unionism.

During the difficulties of the succeeding years the unions co-operated to present a solid front to the companies, and this alliance led to negotiations which resulted in the formation of the National Union of Railwaymen in 1913 by the amalgamation of the A.S.R.S., the General Railway Workers' Union, and the Pointsmen and Signalmen's Society. The Associated Society of Locomotive Engineers and Firemen, which was a craft organisation, whilst favourable to federation stood out of the new amalgamation on the ground that the special interests of the engineers and firemen could not be adequately safeguarded in the larger organisation. The new union declared its first object to be "to secure the complete organisation of all workers employed on or in connection with any railway in the United Kingdom." It was therefore an industrial union catering for all grades of workers in the industry. Its basis was broad enough to include the engineers employed in the railway shops, and difficulties have arisen between the N.U.R. and the Amalgamated Engineering Union because both societies include railway shopmen amongst their members.

[1] See Cole and Arnot, *Trade Unionism on the Railways.*

Thus at the present time there are three unions catering specifically for railway workers : the N.U.R., which is an industrial union ; the A.S.L.E. & F., which is a craft organisation ; and the R.C.A., which enrols the clerical workers on the railways, and agents, stationmasters, and administrative officials ; whilst unions such as the A.E.U. include amongst their members people " employed on or in connection with " the railways. Nevertheless in times of stress the various unions act together, as was seen in the Railway Strike of 1919. The railway unions are pledged to the nationalisation of the railways and participation in the management.[1]

In many industries the amalgamation of unions was hampered by the state of the law, which required that the societies concerned should each declare their decision to amalgamate by a two-thirds majority of the whole membership. In 1917, however, an Act of Parliament was passed which permitted amalgamations to take place when a vote in favour was carried on a 50 per cent. poll of the membership by a 20 per cent. majority. A number of amalgamations had taken place before then, as, for example, the formation of the United Garment Workers.

But the new law removed a serious obstacle to the consolidation of trade unions. The Amalgamated Engineering Union was formed (1920) by the absorption of a number of engineering unions in the Amalgamated Society of Engineers, though there still remain a large number of independent unions catering for workers in the Engineering and Shipbuilding industries. The Transport and General Workers' Union (1922) is an amalgamation, of which the nucleus was the Dock, Wharf, Riverside, and General Workers' Union, whilst the Amalgamated Society of Carpenters and Joiners formed the nucleus of the Amalgamated Society of Woodworkers, established in January 1921. The National Union of Distributive and Allied Workers was formed (1921) by the Union of the Amalgamated Union of Co-operative and Commercial Employees with the National Warehouse and General Workers' Union. These various amalgamations in different industries illustrate the trend of trade union organisation, and the process of combination may be expected to continue.

Where amalgamations have not been achieved, in many industries federations have been formed by the association of unions in a single organisation for common purposes, each constituent body retaining its identity and independent exist-

[1] See the Bill prepared and published by the Railway Clerks' Association.

ence. The Miners' Federation of Great Britain was established so long ago as 1888. It is industrial in its structure, and is representative of workers in or about the mines. Some of its affiliated bodies are themselves federations of local organisations. Several trade unions operating in the coal industry are not associated with the Federation ; nevertheless the M.F.G.B. effectively determines the policy of the workers in the industry and wields more authority than most federations. The Engineering and Shipbuilding Trades Federation, founded in 1890 and comprising 47 unions, possesses a title which explains its scope. More recent examples of federation are to be found in the Transport Workers' Federation, which includes unions of various groups of land and water transport-workers apart from railwaymen, and the National Association of Unions in the Textile Trade, which was formed during the war as a federation of 39 unions in the wool textile industry. Of a different kind is the National Federation of Professional, Technical, Administrative, and Supervisory Workers—a title which, though clumsy, expresses the main purpose of the organisation. The Federation aims at securing the co-operation of all kinds and grades of " black-coated " workers. The organisations affiliated with it include the Railway Clerks' Association, the National Union of Clerks, and the National Union of Scientific Workers.

The extraordinary development of trade unionism amongst the non-manual workers was one of the most striking economic phenomena of the war period. Some of the new bodies, such as the Bank Officers' Guild, the Shipping Guild, the Insurance Officers' Guild, and the Stock Exchange Clerks' Guild, have not as yet allied themselves with their fellows in other professions and callings, but they express the need of the professional workers for organisation.

Another remarkable development of recent years has been the growth of the general-labour unions. There have been important amalgamations of smaller bodies, with the result that the National Union of General Workers is now one of the largest unions in the country. During the war all the important unions catering for general labourers associated themselves in the National Federation of General Workers, the largest federation in the country in point of affiliated membership.

These examples of amalgamations and federations in trades and industries and callings of widely differing kinds illustrate the movement during the past thirty years towards the con-

solidation of trade-union forces. The process is yet far from complete. The engineering dispute of 1922, for example, in which fifty unions were concerned, throws light on the confusion of competing and overlapping unions in one of the most important industries of the country. But though trade unionists would be the first to admit that the process of co-ordination is far from having done its work, very substantial progress has been made.

The following table shows the number of unions affiliated to the Trades Union Congress; and the total affiliated membership illustrates both the growth in the number of trade unionists and the recent decline in the number of unions. This decline is due mainly to the amalgamation of affiliated unions, though the full extent of the decline is obscured by the rise of new unions:

MEMBERSHIP OF TRADES UNION CONGRESS

Year	No. of societies affiliated	Total membership
1868	—	118,367
1875	107	818,032
1880	105	494,222
1885	136	580,976
1890	211	1,470,191
1895	170	1,000,000
1900	184	1,250,000
1905	205	1,541,000
1910	212	1,647,715
1915	215	2,682,357
1918	262	4,532,085
1919	266	5,283,676
1920	215	6,505,482
1921	213	6,417,910
1922	208	5,128,648

This table is not a complete statement of trade-union membership, as some unions are even yet not affiliated to the Congress; but it is improbable that the membership of the unions outside the Congress is more than 750,000.

One of the interesting developments of the last few years was the formation of the Triple Industrial Alliance in 1914. The Alliance consisted of the Miners' Federation of Great Britain, the National Union of Railwaymen, and the National Transport Workers' Federation. It was a federation of two federations and a large industrial union. The possibility of

joint action on the part of these three powerful bodies created a sensation. The only occasion, however, on which a Triple Alliance strike was actually called was in the spring of 1921 when the miners' stoppage occurred, and in this case the notices issued by the other bodies in the Alliance calling the strike were first postponed and then cancelled within a few hours of the time when the strike should have begun. It is generally thought that the events of "Black Friday" meant the end of the Triple Alliance, but it is worthy of note that one of the groups formed in connection with the newly organised General Council of the Trades Union Congress consists of the unions which formed the Triple Alliance.

The war period gave a great impetus to trade unionism, more especially amongst women workers, the less skilled workers and non-manual workers, and trade unionism won a wider recognition than it had previously obtained. The trade-union movement, in consequence, emerged from the War a much more powerful force than it had ever been before. At the end of the War, also, organised Labour occupied a much stronger position politically than it had held before or during the War, though representatives of Labour were members of the two war-time Coalition Governments. With the extension of the franchise, and more particularly the inclusion of a large body of women voters in the electorate, a new problem was presented to the Labour Party. Its constitution was re-cast with a view to the establishment of strong constituency organisations with provision for individual membership. Its machinery was extended to provide in each local organisation for individual members' sections, so that individual membership of the Labour Party might be developed. At the General Election in December 1918 no less than 360 Labour candidates took the field—a few of them being returned unopposed. The Labour members of the Coalition Government were withdrawn and the Party fought as an independent political force in opposition to the Government. Notwithstanding the difficulties of the time, the Labour poll was remarkable. Fifty-seven Labour representatives were returned to the House of Commons,[1] as against about half that number of Independent Liberals. The strength of the Labour Party in the House was increased by about 50 per cent. The total votes cast for Labour candidates at the 1918 Election numbered 2,244,945

[1] After the Election, three members who secured election as unofficial Labour candidates, and one who secured election as a Co-operative candidate, joined the Parliamentary Labour Party, making the total 61.

out of an aggregate vote for all candidates of 9,681,014. It will be seen that though Labour contested only about half the constituencies—the majority of them for the first time—its candidates polled nearly a quarter of the total votes cast.

This result was a considerable advance on the results of earlier general elections, though of course it is to be accounted for partly by the increase in the number of seats contested and partly by the extension of the franchise to women. The growth of the political Labour movement may be gathered from the following table :

General Elections, 1900 to 1918

Date	Labour candidates	Members returned	Labour vote
September 1900 .	15	2	62,698
January 1906 . .	50	29	323,195
January 1910 . .	78	40	505,690
December 1910 .	56	42	370,802
December 1918 .	361	57	2,244,945

The results of by-elections subsequent to the Election of 1918 strengthened the Labour Party in Parliament, and when the Lloyd George Coalition Government came to an end there were 75 Labour Members in the House of Commons.

At the General Election in November 1922 the Labour Party contested 412 seats, and 142 Labour Members (including four Co-operative representatives) were returned to the House of Commons. The total poll showed a considerable increase, as will be seen from the following table :

	Votes
Unionist	5,383,896
Labour	4,236,733
Liberal	2,507,204
Nationalist Liberal	1,678,088
Others	375,510
Total	14,181,431

In consequence of its augmented strength the Labour Party in Parliament became " His Majesty's Opposition."

As a result of by-election victories during the six months following the General Election, the Labour Party gained two further seats.

V

AFTER THE WAR

After the War, a period of inevitable dislocation was followed by a remarkable boom during which prices, profits, and wages rose. In the autumn of 1919 there was a national railway strike on the wages question, when the Government, which still "controlled" the railways, utilised the whole of its resources against the men and made elaborate arrangements for the transport of food and other necessaries by means of motor transport. Besides securing increases in wages, many groups of workers, led by the railwaymen, obtained a shorter working day. In many trades a forty-eight-hour week was obtained.

With the decline in trade about the middle of 1920 the unemployment curve began to rise, and before the end of the year demands for wages reductions were being pressed. In 1921 unemployment became more severe than at any other time within living memory, and wages reductions were made in trade after trade. Early in March the Government decided immediately to decontrol the coal industry, notwithstanding that the date of decontrol was laid down in a Government measure as August 31, 1921. The result was chaos. The coal-owners, suddenly thrown on their own resources, offered absurdly low wages to the miners, who refused to accept them. A three months' stoppage followed, at the end of which, with their funds exhausted and the future mortgaged by loans, the miners were beaten back to work at wages which in many cases meant less than those obtaining before the war. After this, hardly an industry escaped. The Government, which had passed the Corn Production Act in December 1920 with the object, *inter alia*, of putting the Agricultural Wages Board, set up during the War, on a permanent basis, repealed its own measure in August 1921. The Agricultural Wages Board was scrapped, and the agricultural workers were left to shift for themselves, with the result that wages were reduced and hours of labour increased.

Many trades came near to complete stoppages, but the widespread unemployment compelled the unions in most cases ultimately to accept the reductions forced upon them. The demand of the shipbuilding employers at the end of 1921 for the withdrawal of the cost of living bonus of 26*s.* 6*d.* per week in instalments of 16*s.* 6*d.* and 10*s.* per week led to prolonged

negotiations which ended in a stoppage of the shipyards in the early months of 1922 by the refusal of the unions in the Engineering and Shipbuilding Trades Federation to accept an immediate reduction of 10*s.* 6*d.* and a further reduction of 6*s.* after a short interval.

In the meantime the Federation became involved in a dispute between the Amalgamated Engineering Union and the Engineering Employers' Federation which arose over the interpretation of clauses concerning overtime in an agreement of September 1920. In April 1921 the employers threatened a lock-out on the question, but did not put their threat into effect until March 1922, when unemployment was much more severe, and the chances of successful resistance by the men correspondingly less. The Employers' Federation, in terms curiously reminiscent of those used by the Federation in the dispute of 1897, laid down the right of the employers to be masters in their own shops. Though the other unions in the engineering industry were not concerned in the original dispute, they were presented with an ultimatum by the employers, requiring an acknowledgment by the unions of the right of the employers "to exercise managerial functions." The Government refused to order an inquiry under the Industrial Courts Act, 1919, and was only persuaded to institute an inquiry after a complete deadlock had occurred. Even then the Court was a perfunctory affair, though on the publication of its findings negotiations were again resumed, only to break down after a few days. Ultimately, however, the dispute was ended with the virtual acceptance of the employers' terms.

The collapse of trade following the post-war boom meant a degradation of the workers' standard of life, and when the year 1922 opened, large groups of workers, including the miners, were, even if they were working full time, receiving real wages below those earned in the days before the War. But this was not all. The housing problem, acute enough before the War, both in town and country, was intensified by the suspension of building operations during the War. Lavish promises were made that there should be a national housing programme. A beginning was made, but before even the lee-way of the War years had been made up,[1] the "economy" campaign was in full swing, and the Government revised its programme. The

[1] The number of houses built per year before the War was on the average about 70,000; and by October 1, 1921, under the Government's programme, 68,550 had been built and a further 68,730 were in course of erection. By the middle of 1922 grants had been approved for 176,000 houses, of which in March 1923 20,000 were still not finished.

reaction against the enormous expenditure of the State during and after the War led to demands for economy in other directions, and education fell "under the axe." It seemed to organised Labour that the burden of the War was being flung upon the backs of the workers. Unemployment, lower wages, and the way the Government had played fast and loose with Labour, created an atmosphere of deep discontent. The rosy prospect held out during the War and after the Armistice had melted away. In its place, notwithstanding efforts made to improve relationships between employers and employed,[1] the old hostilities exist in all their nakedness, and in the arena of politics the post-war Government in Labour's eyes proved itself capitalist and anti-Labour.

The Labour movement was, however, stronger and better equipped than it had ever been before, and it had become much more closely co-ordinated in the years following the War. Something has already been said of the amalgamations which have taken place and the federations of unions which have been established. The question of its organisation and the relations of its various parts to one another is one of the chief problems which the Labour movement has to face. Amalgamations and federations are one aspect of the problem. But there is the larger question of "a unified democracy." It has already been shown that the Trades Union Congress gave birth to the political Labour movement, and it is generally admitted that it was in the best interests of organised Labour that the Labour Party should pursue its way as an independent body. But more recently the general opinion has been that, now the Labour Party is firmly established, the political and industrial Labour movements should be brought into the closest possible connection. The Labour Party Conference in June 1921 and the Trades Union Congress three months later adopted a Co-ordination Scheme, the purpose of which was to secure a common policy, common action, and, as far as practicable, common administration. This co-ordination of Labour forces which has been put into operation falls into two parts. In the first place, a National Joint Council of fifteen members has been established, consisting of five representatives of the General Council of the Trades Union Congress, five of the Labour Party Executive Committee, and five of the Labour Members of the House

[1] A number of Joint Industrial Councils have been set up, but they do not cover the whole field of industry. The National Alliance of Employers and Employed and other similar bodies have endeavoured to promote improved industrial relationships.

of Commons, with the prime object of enabling "Labour to speak with one voice on all questions of national importance and to pursue one policy in support of its common ends." The Council is also required to "make provision for taking immediate and united action on all questions of national emergency." In pursuance of its duties it has, for example, issued pronouncements on policy, published a full examination of the proposals of the "Geddes Committee," so far as the social services were concerned, and acted in a mediatory capacity in the engineering dispute. There can be little doubt that the establishment of the National Joint Council has been an important step in the direction of closer co-operation within the Labour movement.

In the second place, the co-ordination scheme provides for the establishment of four departments under the joint auspices of the Trades Union Congress General Council and the Labour Party Executive Committee, concerned respectively with research and information, the international aspect of the Labour movement and international affairs, press and publicity, and legal questions. The Research and Information, International, and Press Departments have been established, but steps have not yet been taken to inaugurate the Legal Department. The purpose in setting up these departments was "to prevent overlapping in the work of the staffs of the two national bodies and the consequent duplication of effort and expenditure, and to secure both greater efficiency and an extension of these aspects of the work of the Labour movement."

The Co-ordination Committee of the Trades Union Congress in reporting on the question stated that "we have also under consideration a further development of joint action which will include an arrangement with the Co-operative movement. The United Board, representing all sections of the Co-operative movement, have already appointed representatives to act with us in working out proposals for this development as our own departmental arrangements are completed. We hope, eventually, to create a great national administrative centre which will render valuable service to the workers as producers, consumers, and citizens." By the establishment of departments under the joint auspices of the Trades Union Congress General Council and the Labour Party, a great step has been taken along the road towards this end.

The Co-operative movement representing the organised working-class consumers is already in association with the trade-union movement. So long as forty years ago a joint committee

was set up representing the Co-operative Union and the Parliamentary Committee of the Trades Union Congress, the main work of which was to arbitrate in disputes between the Co-operative Wholesale Society and its employees. But the most important development was the appointment of the United Advisory Council of Co-operators and Trade Unionists in 1917. At the Trades Union Congress in the previous year a resolution was passed inviting the Co-operative Union to appoint representatives to meet representatives of the Congress " to prepare plans for mutual assistance in developing the productive, distributive, and banking activities of the Co-operative movement," always providing that the latter was prepared to recognise trade-union rates and conditions of employment. In 1917 the Co-operative Congress responded to the invitation and the Advisory Council was set up.

The accepted statement of objects included " the consideration of how far it is desirable and possible to ensure the unrestricted distribution of food supplies or the payment of benefit during important trade disputes by issuing through the various branches of the Co-operative movement food coupons or loans from the Co-operative Wholesale Society's Bank on the security of trade-union assets." In the railway strike of 1919 a large number of co-operative societies honoured the food coupons issued by the National Union of Railwaymen, and some advanced cash for strike pay. During the stoppage in the mining industry during 1921, the total amount advanced to the miners exceeded £600,000.

A considerable number of unions bank with the Co-operative Wholesale Society's Bank, the accumulated trade-union funds deposited with the Bank in 1920 amounting to nearly £3,000,000, and the United Advisory Council has continued to press upon trade unionists the importance of actively supporting the Co-operative movement.

It will be seen that the trade-union and co-operative movements are now in close contact. The relations between the latter and the Labour Party are less intimate and less direct. During the War, however, the War Emergency Workers' National Committee united for common action the trade-union, co-operative, and political Labour movements. The Standing Joint Committee of Industrial Women's Organisations, established as an Advisory Committee to the Labour Party, includes amongst its members representatives of the Co-operative Women's Guild, and in some parts of the country co-operative societies and women's co-operative guilds are affiliated to local

Labour Parties. The Co-operative movement has also established a political fund and party of its own (1917),[1] and ran a number of candidates in Parliamentary elections. There are now four Co-operative members in the House of Commons. The co-operation with Labour is even more manifest in local elections, many of the candidates fighting under a common flag as "Labour and Co-operative" candidates.

There is much in common between the Labour Party and the Co-operative Party, and in 1919 the latter was instructed by the Co-operative Congress to consult with the Labour Party and the Trades Union Congress on the question of closer federation, with the ultimate object of establishing a united People's Party. As a result, it was proposed to form a Labour and Co-operative Political Alliance. At the Congress of 1921 a resolution in support of an alliance was submitted, and an amendment deprecating such a course was defeated by a large majority, whilst the resolution itself was defeated by four votes. The two votes show that the movement has still an open mind regarding a formal alliance with the Labour Party, but in practice in the constituencies conflicts do not take place between the nominees of the two parties. On the contrary, collisions are avoided, and in general there is close co-operation.

The problem of the future relations of the Co-operative, trade-union and political Labour movements is one which has not yet fully been worked out, and it provides one of the big questions of the working-class movement. It is certain, however, that their association with each other must become more intimate.

VI

EDUCATIONAL WORK

No survey of the working-class movement could be complete without reference to the significant and increasingly important educational work which is being carried on by and amongst working-people. In a sense the educational movement is as

[1] "When, in 1917, the leading Co-operators were moved to indignation by the persistent ill-treatment of their societies at the hands of the Military Service Tribunals, and at those of the Government departments dealing with sugar and other foodstuffs, and by the neglect of the Prime Minister even to hear their complaints, a specially summoned congress of delegates from all Co-operative Societies unanimously agreed to seek representation in Parliament, with a general political programme of an advanced character, and determined to raise an Election Fund with which to run independent Co-operative candidates in Parliamentary contests" (*The Consumers' Co-operative Movement*, by S. and B. Webb, 1921, p. 266).

old as the Labour movement itself, but it was not until recent years that it really found its feet. The pedigree of the Workers' Educational Association shows that its ancestors in the direct line were the Co-operative movement, the University Extension movement, and the Working-men's Colleges. The Co-operators, it has been said, were " the one working-class body which continuously and persistently stood for a humane education as an essential element in the social aims of democracy." [1] The Co-operative movement was the one organisation which survived to carry the educational ideals of the forties of last century into the great revival of the twentieth century. The University Extension movement grew out of a desire to carry learning to the general public. The courses of lectures organised by the Universities in various parts of the country were in many places largely attended by working-people, but speaking generally, just as the Mechanics' Institutes of the early part of the nineteenth century were gradually " swallowed up in the vortex of gentility," so University Extension came to be dominated in the main by middle-class people, and it was amongst them that its influence was mainly felt. The Working-men's Colleges, founded largely under the inspiration of the Christian Socialists of the middle of last century, were an attempt to offer the workers opportunities for humane education, on the ground, as F. D. Maurice expressed it, that a workman " is a person, not a thing, a citizen and not a slave or even a wage-earning animal."

The Workers' Educational Association was founded in 1903 and adopted its present name three years later. It sprang into existence on the initiative of a handful of trade unionists and co-operators under the inspiration of Mr. Albert Mansbridge, who became Secretary of the Association. It drew upon the educational traditions of the Co-operative movement, imbibed the catholic outlook of the Working-men's Colleges, and built upon the experience of the University Extension movement. The W.E.A. was the expression of a new synthesis embodying the lessons of the past and in harmony with the twentieth-century needs of Labour. In 1907, when it was yet unknown to the wider world, the Association brought to birth the University Tutorial Class movement. Since that date every University in England and Wales has established a Tutorial Classes Joint Committee, normally consisting of equal numbers of university representatives and workers' represen-

[1] Final Report of the Adult Education Committee of the Ministry of Reconstruction, p. 30.

tatives nominated through the W.E.A. These Committees, of which the W.E.A. District Secretary is generally the Joint Secretary, are responsible for the provision and development of University Tutorial Classes, which are university classes conducted by a competent tutor. Each class continues for three years, and meets at least twenty-four times each session for two hours. The students are expected to do systematic reading and written work. The classes are financed as a rule by university grants, grants from the State through the Board of Education, and local contributions, generally in the shape of a grant from the local education authority. The classes are open to both men and women, and the proportion of women has steadily increased during the last few years. The extraordinary growth of the Tutorial Class movement before the War and its rapid recovery after the War may be gathered from the fact that whereas in 1907–8 the number of classes was 2 and the students 78, they had grown in 1914–15 to 155 classes and over 3,000 students, and in 1920–21 to 293 and nearly 7,000 respectively.

The most popular subjects of study are industrial and social history and economics, but the range of studies is widening year by year.

It may also be pointed out here that Summer Schools under the auspices of the Tutorial Class movement are held annually. Students go into residence for a week or more, as opportunity allows, and pursue their studies uninterrupted by the daily round of wage-earning toil.

In addition to co-operating with the universities in arranging three-year tutorial classes, the organisation and supervision of which it undertakes, the W.E.A. organises and conducts classes running for a single session, co-operates with local education authorities in the establishment of similar classes, and organises and conducts study circles, courses of lectures, and educational conferences.[1] That is to say, the Workers' Educational Association stimulates the desire of workers for non-vocational education, and seeks to satisfy the educational demands of the workers either directly or through provision made in conjunction with universities or local education authorities.

It has, however, another side to its work. Originally founded to promote the higher education of workpeople, it soon extended its interest to education in all its phases, and now the

[1] In 1920–1 there were 463 one-year W.E.A. classes with 12,474 students. Accurate statistics are not available for the less systematic activities.

W.E.A. definitely works for the realisation of a democratic system of education and full equality of opportunity for all. Its ideal is "a broad highway" of education whereon all may travel as far as their desires and capabilities may allow. It therefore carries on propaganda in order to strengthen working-class interest in education.

The organisation of the Workers' Educational Association rests upon its branches, which are federations of working-class organisations and educational bodies, and which also make provision for individual members. Great Britain is now divided into a number of districts, in each of which there is a full-time secretary. The District is governed by representatives of the branches in the District, of societies affiliated directly to the District, and of individual members of the District. The National Association is governed by a Council consisting of representatives of the Districts and of the national organisations affiliated with it. These latter include, besides individual trade unions and educational bodies, such important bodies as the General Council of the Trades Union Congress, the Co-operative Union, the National Adult School Union, the Working-men's Club and Institute Union, and the Y.M.C.A. The last four themselves carry on educational work. The character of the organisations which form the W.E.A. may be gathered from the following analysis of its membership in 1920 :

Trade unions, trades councils, and trade-union branches	1,280
Co-operative Societies	485
Adult Schools, etc.	191
Working-men's Clubs	135
Teachers' Associations	230
Educational and Literary Societies	100
Local Education Authorities	40
University bodies	8
Various	291
Total	2,760

One of the most important recent developments has been the establishment by the W.E.A. of the Workers' Educational Trade Union Committee consisting of representatives of the W.E.A. and of certain trade unions, e.g. the Iron and Steel Trades Confederation, and the Union of Post Office Workers, for whose members special educational provision is made.

The W.E.A., it will be seen, has made remarkable strides since its obscure and unheralded origin less than twenty years

ago ; it stands to-day as the most powerful and most influential workers' educational movement.

There has, however, been another modern line of growth to which reference must be made. In 1899 Ruskin College was founded at Oxford through the initiative of an American, Mr. Walter Vrooman. It was the first residential college for working-men, and its object is " to equip the students in such a way as to increase their usefulness to the Labour Movement in general, and to the societies who sent them to the college, in particular." As a result of a schism, the Central Labour College (now called the Labour College) was founded in 1909. Ruskin College continued its activities, and since the War it has admitted women students. It is affiliated with the Workers' Educational Association. The Labour College makes no claim to being non-partisan. It is avowedly Marxian in its outlook, and it has held aloof from co-operation with universities and other educational bodies and institutions. The College itself is small, but associated with it is the Plebs League, which is an association of ex-students and supporters of the College. The League exists to propagate the educational principles and policy of the Labour College, and its activities include the formation of classes up and down the country. During the war the Scottish Labour College was inaugurated, and under its auspices classes are held in various parts of Scotland. A further step in organisation has recently been taken by the establishment of a National Council of Labour Colleges " to bring together the various colleges, districts, and groups already in existence, with a view to extension and mutual help." The Labour College Movement is, however, not nearly as extensive as the W.E.A. ; nor is the number of the students under the auspices of the former as large as the number in the latter organisation.

The two great problems of the Labour Movement to-day are those of organisation and education. Until the relations of the various parts to each other are more clearly defined and the many superfluous wheels of the Labour coach removed, organised Labour will be hampered by its own internal difficulties. And until education is more widely extended, the movement will not realise its latent possibilities. These facts are now being more fully appreciated, and explain the tendency of recent years towards federation, amalgamation, and co-ordination, and the impressive growth of educational activities amongst working-people.

There has been a change in the outlook of Labour. A genera-

tion ago working-class activities were of little account. They are now important factors in the community. The Co-operative movement with its membership of 4,500,000,[1] the trade-union movement with its army of about 6,000,000 members, and the Labour Party with its affiliated membership of 4,000,000 can no longer be ignored. And, whatever the future may hold, it is certain that in the play of national forces the organisations of the working-classes will play an increasingly influential part. And, in the meantime, Labour is devoting itself on the one hand to an understanding of the manifold problems of modern society, and on the other to the achievement of unity amid diversity.

VII

THE OUTLOOK IN 1923

THOUGH the long trade depression which followed the post-war trade boom resulted in a diminished trade-union membership and a heavy drain on trade-union funds, it has not in any real sense weakened the Labour movement. The General Election of November 1922 almost doubled the strength of the Labour Party in the House of Commons and has strengthened political interest, whilst the general industrial situation has led to a much fuller realisation of the need for a closely co-ordinated and consolidated industrial movement. The failure of capitalist industry to cope with the economic problems of the War and the post-war situation, combined with the severity of the trade depression, has reinforced the Labour indictment of the existing order. Organised Labour has always been instinctively in revolt against capitalism, and the history of the last eight years has finally destroyed any hope, if any hope ever existed, of the Labour movement accepting the assumptions of capitalism. Industrially and politically, Labour stands for a new order, the guiding principles of which would be socialistic and co-operative instead of individualistic and competitive.

In a sense the realisation of Labour hopes is more distant than it was, because the needs of the immediate situation cannot be ignored. With the opening of 1923 the organised workers found

[1] "Something like three-sevenths of all the families and households in Great Britain are now enrolled as co-operators. Roughly speaking, the Co-operative movement supplies to this three-sevenths of the population, one-half of their food-stuffs, and one-tenth of their other household purchases" (*The Consumers' Co-operative Movement*, by S. and B. Webb, p. xi).

themselves in circumstances even more unfavourable than those which obtained before the War. Many wages rose during and after the War, but the returns of the Ministry of Labour (which are not complete) show that in 1921 there were wage reductions affecting 7,000,000 workpeople amounting to £6,000,000 a week. In 1922 the changes in rates of wages resulted in an aggregate net reduction of about £4,200,000 in the weekly full-time wages of nearly 7,600,000 workpeople. The total effect of these reductions has been to reduce real wages in many, if not most, industries below the level of the year before the War. As soon as the state of trade warrants it, there will be a general demand for increased remuneration. So far the reduced hours of labour obtained during the last few years have been maintained, but there is a widespread fear that attempts will be made to lengthen again the working week; 1923 indeed opened with an attempt to secure an extension of working-hours in the building trades. If a campaign on these lines develops, the trade-union and Labour movement will offer its united opposition. Again, as regards housing, the situation is literally worse than it was before the War. These questions of wages, hours, and housing, together with the problem of unemployment, have concentrated Labour attention on the immediate situation.

Yet in spite of the pressure of urgent practical questions, Labour has not been able to escape from the consideration of large questions of policy. The most important of these has been the problem of defining its attitude towards Communism. The Communist Party of Great Britain, a small but vigorous body, has carried on active propaganda practically inside the Labour movement. It applied for affiliation to the Labour Party, but its application was rejected. After the election in November 1922 of Mr. J. W. Newbold to Parliament as a Communist member, it was suggested that he should receive the Whips of the Labour Party and be summoned to its meetings; but the proposal was rejected. This opposition is a reflection of the antagonism between the Second (Socialist International and the Third (Communist) International.[1] On the industrial side no British trade-union has gone Communist. Certain trade-union branches and district committees are affiliated with the Red Trade Union International, but the British Trades Union Congress is affiliated to the Amsterdam Trade

[1] Since this was written a new Socialist and Labour International has been formed by the amalgamation of the Second International and the Group of Socialist bodies known as the "Vienna Union."

Union International, with which the Red Trade Union International is in bitter and uncompromising conflict. Communism has made little headway in Great Britain, and there is little prospect of British Labour exchanging its Socialist basis for that of Moscow.

SECTION VII . THE CHANNEL ISLANDS

THE CHANNEL ISLANDS

I

GEOGRAPHICAL AND RACIAL

THE Channel Islands—Îles Normandes, or Îles de la Manche—form a western appendage of the Cotentin peninsula of France and lie near the entrance to the English Channel. They are the last remnant of the Duchy of Normandy and as such still belong to the English Crown.

Jersey, the largest and southernmost, is 15 miles from the French coast and has an area of 45 square miles. It is oblong in shape, 12 miles in length from east to west and 6 miles in breadth from north to south. On the north the highest ground is 420 feet, from which it gradually slopes down to the lower ground of the southern coast.

Guernsey, 15 miles north-west of Jersey, has an area of 24½ square miles: it is triangular in shape, with a length of 9½ miles from north-east to south-west and a greatest breadth of 7 miles from east to west. The island forms a plateau which rises to 340 feet in the south and thence sinks to nearly sea-level on the north. Attached to the bailiwick of Guernsey for Government purposes are the much smaller islands of Herm, Jethou, Sark, and Alderney. Herm and Jethou are mere islets lying close to each other some 3 miles east of Guernsey. Sark or Sercq, the most beautiful of all the islands, lies 6 miles east-south-east of Guernsey and has an area of two square miles with an extreme length of 3½ miles and breadth of 1½ mile. Alderney, or Aurigny, 16 miles north-east of Guernsey and separated only 8½ miles from the French coast by its ill-famed Race, is nearly 4 miles long from north-east to south-west and about 1½ mile broad: its area is about 3 square miles.

Climate.—The climate is remarkable for its equability and sunshine. In winter the average temperature is 44° F. with a variability of 7°, and in summer 60° with a variability of 11°. The prevailing winds blow from the south-west, except in March and April, when there are cold east and north-east winds. The rainfall in Jersey averages 34 inches and in Guernsey 36½

inches. The sun shines about 45 per cent. of its possible hours in contrast with the 23 per cent. of central London. The air is somewhat relaxing, more especially in southern Jersey. Alderney, it is said, enjoys the best climate.

Race and Language.—To whatever race the earliest inhabitants of the islands may have belonged, whose presence is attested by numerous cromlechs, dolmens, menhirs, and tumuli, it is certain that the bulk of the present inhabitants are the descendants of Normans, who must have left the mainland at a time when the Norsemen had forgotten their own language in favour of the French and had assimilated French manners and feudal customs. At the present day, though English is universally understood, the language of the people of Jersey and Guernsey is Norman French, while the language of the law-courts and governments is modern French. Many French exiles in the sixteenth and seventeenth centuries at the time of the Huguenot troubles and again in the eighteenth century at the time of the French Revolution sought new homes in the two islands ; and in very recent times the exiled French Religious Orders have similarly found refuge. English settlers, too, have been numerous, more especially since the Great War. Jersey employs between 2,000 and 3,000 French labourers at the time of the potato harvest, with the result that a considerable number of farms have passed into French hands. In Alderney the bulk of the inhabitants are of English and Irish descent : English therefore is the prevalent language. Sark, owing to its inaccessibility, has preserved a purer form of Norman French than the other islands.

Population.—According to the census of 1921 the population of Jersey was 49,494, a decrease of 2,404 on the numbers of 1911 ; and of Guernsey with its adjacent islands, 40,120, a decrease of 4,877. In 1911 the population of Alderney was 2,561 and of Sark 582.

II

HISTORICAL

If the vague traditions of barbarian raids be passed over, the political history of the Channel Islands begins with their cession by the Breton chiefs to Rollo's son, William Longsword, the second Duke of Normandy, in the year 933. This resulted a few years later in the introduction of the French feudal system in a very modified form which has survived, so far

as land tenure is concerned, in its essential outlines down to the present day: for William, while retaining certain lands as his own domains, granted the north-western and south-eastern halves of Guernsey to two of his Norman *vicomtes*; four noble *fiefs de haubert* in Jersey to noblemen in Normandy; other lands, including the whole of Alderney, as *fiefs d'aumônerie* to various Norman religious houses; while Sark he reserved for his own private purposes. The new *seigneurs*, or rather their successors, whether lay or clerical, seem never to have left the continent to enjoy possession of their tenancies till the end of the twelfth century. The old peasant proprietors were left in undisturbed possession of their farms, which in every respect they continued to treat as their own private property, except that henceforth they found them subject to fixed but moderate rent-charges in the shape of tithes or labour services exacted from them by their lords' seneschals or *prévôts*. Serfage, however, was unknown: the natives still lived as free men under the ancient customs of their Gallo-Roman forefathers, except that for higher justice they were summoned to appear in the court of the vicomte, the local representative of the reigning Duke or of the Duke's itinerant justices. A curious survival of old Norman justice is the "Clameur de Haro," even now occasionally raised in cases of encroachment upon property: the aggrieved party must in the presence of witnesses fall on his knees and repeat the formula: "Haro, Haro, Haro! à l'aide, mon Prince, on me fait tort." The cry involves the speedy intervention of the Crown and is popularly supposed to be a traditional invocation of the old Norman Rollo. Recently, however, the formula has been traced back to a still earlier Frankish custom prevalent in the Kingdom of Neustria in the sixth century.

The manorial courts of the seigneurs, which are still occasionally held, seem never to have exercised general jurisdiction, but to have been strictly confined to questions concerned with the occupation and alienation of lands, and even in them, as the "Clameur de Haro" implies, to have been subordinate to the Royal Courts. At the present day the seigneurs of the old fiefs are still summoned twice a year to attend the Royal Courts, sitting in Jersey as a *cour d'héritage* and in Guernsey as a *cour de chefs plaids*, to do homage for their lands.

The conquest of England in 1066 united the Duchy of Normandy to the English Crown. But in 1203–4 King John lost the whole of his French dominions in his disastrous war with King Philip Augustus of France with the exception of the

Channel Islands; and even they between the years 1205–13 seem to have been twice lost and twice regained—rather by native prowess than through any serious help sent them by the cowardly English king—before they settled down to that steady allegiance to the English Crown that has distinguished them all through their history. The French kings still claimed the islands as a fief of France—a claim actually acknowledged in the treaty of 1259 between Henry III of England and St. Louis of France—until it was formally renounced in the Treaty of Brétigny in 1360. Moreover the islands ecclesiastically were still included in the Norman diocese of Coutances (save for short intervals) till 1568, and the religious houses of Normandy continued to collect their feudal revenues from their island lands until the Reformation.

Deprived of Normandy, King John took measures to defend the islands against French attacks by sending over a few English troops and appointing Pierre de Préaux as their seigneur and governor. But the so-called "Charter of King John" has been proved to be a compilation made in the seventeenth century of two distinct documents, one drawn up in 1248 and the other in 1333. This document and a series of royal surveys between the years 1226 and 1333 show clearly that the islanders then possessed no written laws or constitution. For in 1226 Henry III once more recognised the liberties and customs which they had enjoyed under Henry II, Richard, and John; and in 1308 the Royal Commissioners of *quo warranto* were informed by the notables that no one had ever made laws for them, but that they lived according to customs going back to time immemorial. In fact, it seems to have been the theory of the islanders all through the Middle Ages that the King could in no way alter their ancient customs without their own consent, and at the present day the *vieux coûtumier* of Normandy still forms the basis of island law. One of the oldest institutions is the Royal Courts of Jersey and Guernsey, which in Guernsey can be traced back to 1179, when it was presided over by the local vicomte. From 1200 onwards the governor—variously called seigneur, *gardien*, or *bailli*—was given supreme power, military, civil, and judicial. But in 1290 the governor, Otho de Granson, appointed two bailiffs, one for Jersey and the other for Guernsey and the adjacent islands, to whom he delegated his civil and judicial powers, though in later times they were generally appointed by the King. In the same century *jurats* were popularly elected to assist the bailiff: the jurats sat for life and were analogous to

the continental *scabins* of Carolingian times. The older vicomte now appears in Jersey merely as the executive officer or sheriff of the Court: in Guernsey he has disappeared altogether and his place is taken by the *prévôt*. At the beginning of the fourteenth century a *greffier*, or clerk, and advocates were appointed for each court; and in the fifteenth century first a single *procureur du Roi* for all the islands and afterwards two —one for each Court. Finally in Jersey in the sixteenth century an *avocat du Roi* was added to the procureur, while in Guernsey a *contrôle*, created as a financial officer in the fourteenth century, was in the course of the next two centuries transformed into a sort of avocat du Roi. In the thirteenth century the free tenants or direct feudatories of the Crown sat together with the jurats, but since the fourteenth century their attendance has been dispensed with, except for their formal appearance two or three times a year at the sessions of Chief Pleas. Under the three Edwards the royal justices *in eyre* were regular visitors, but after a long-drawn-out quarrel (1331–4) between the King and the islanders as to the limits of the royal prerogative the practice was discontinued.

Though in the treaty of 1217 Philip Augustus formally acknowledged the English King's possession of the Channel Islands, the French continued to make repeated descents upon them for the next two centuries with varying success. Once Guernsey was occupied by the French for nearly eight years, 1338–46. Again, in 1372 Yvain of Wales, in co-operation with the famous Du Guesclin of Brittany, is said to have made a determined attempt to capture the islands: in Guernsey indeed only Castle Cornet held out against him. The longest interval of tranquillity, 1374–1403, was mainly due to the peace-loving policy of Richard II, and during these few years the islanders, reduced to misery by the long wars, showed wonderful powers of recovery. Agriculture began again to flourish: the export of salt fish was resumed on a large scale, extending to the south of France, the Spanish peninsula, and even Genoa. In 1404 French descents began again, nor did the final expulsion of the English from France in 1451 end their troubles. For in 1460 Margaret of Anjou, Henry VI's queen, sold the islands to France in return for a small military aid; and in the following year Peter de Brezé, Comte de Maulevrier and Grand Chancellor of Normandy, through his kinsman Surdeval seized on Mont Orgueil Castle and half the parishes of Jersey. For six years the French were in occupation of half the island, until they were expelled by Sir Philip de Carteret, the loyal

Seigneur of St. Ouen, in co-operation with an English fleet under the command of Vice-Admiral Sir Richard Harliston. Sir Richard was made Governor of Jersey in reward for his services, and from that time the two bailiwicks have never again been under the rule of a single governor.

The reign of Edward IV is remarkable for the so-called neutralisation of the islands which Selden calls *jus induciarum singulare ac perpetuum.* There is some evidence that the islanders, even in time of war, had been accustomed to carry on a vigorous commerce with their Norman and Breton neighbours—a commerce obviously much to the material interest of all parties. Ecclesiastically, moreover, the islands were still included in the diocese of Coutances, and many of the farmers still paid their tithes and feudal dues—these had indeed been seized by Henry V during his war with France—to the French religious houses from whom, as of old, they held their lands. Again, in language, race, and history the islands were the natural intermediaries between England and France. What particular motive, however, led Edward IV and the islanders to petition Pope Sixtus IV to legalise this *de facto* state of affairs is unfortunately not recorded. The Pope duly issued a bull in 1480, anathematising and excommunicating all persons who should molest or disturb the islanders, and this bull was countersigned under the Great Seal of England. In 1484 it was published in Brittany, and in 1487 the King of France proclaimed it in all his seaport towns. A few instances of its utility are recorded, and it remained in force—at any rate nominally—until it was formally denounced in 1689 by William III. In a charter of Queen Elizabeth it is thus described: "In time of war the merchants of all nations, whether aliens, friends or enemies, may freely frequent the said islands with their ships, merchandise and goods . . . and not only within the said islands and all around the same, but likewise at such places and distances from the islands as the sight of man goes or the eye of man reaches." During the long reigns of Henry VII and Henry VIII the islands did in fact remain unmolested, but the bull did not prevent the French from seizing Sark in 1549 and occupying it for six years, nor yet from making descents on Jersey and Guernsey at the same time. Indeed every outbreak or rumour of war between England and France always filled the islanders with fresh alarms.

Even when they were free from external aggressions the islanders had at times almost as much reason to complain,

owing to the arbitrary conduct and exactions of their governors: at last in 1494 a certain Philip de Carteret appealed to the King in Council against his unlawful imprisonment by Mathew Baker, Governor of Jersey, and this appeal resulted in Henry VII's issuing two new charters restricting the governors to military duties only and conferring all civil and judicial administration on the Royal Courts and their officers, who (other than the elected jurats) were henceforward to be nominated by the Crown. These charters, it is true, were often honoured in the breach rather than in the observance: but they were constantly appealed to as laying down the law on the subject.

In the sixteenth century both islands shared the religious troubles of the times. Henry VIII after his breach with the Pope seized on all the lands belonging to French religious houses and vested their tithes and feudal dues in the Crown. Under Edward VI the English liturgy, translated into French, was introduced into the churches, and the mass was abolished. About the same time numerous Huguenots of good education and position sought refuge in Jersey and Guernsey from the French persecutions and spread their Calvinistic doctrines among the islanders with great success, more especially among the leading men. Queen Mary did her utmost to extirpate the Protestant religion in the islands as in her other dominions, and many ecclesiastical prosecutions were instituted; but owing to the opposition of the Royal Courts no burnings took place in Jersey and only one in Guernsey. Under Queen Elizabeth the few remaining Roman Catholics fared but little better, and in 1565 the ecclesiastical jurisdiction of the Bishop of Coutances was renounced and three years later transferred to the Bishop of Winchester. It was, too, in 1565 that the Queen —probably to secure to herself the loyalty of the numerous French refugees—sanctioned the Presbyterian discipline and form of religion, to which the Crown officials and most of the jurats had already subscribed, in St. Helier's and St. Peter Port; and not only the town but also the country rectories were filled with Norman Calvinistic ministers. Moreover, it was from fear of the French that Elizabeth favoured the project (1564) of Helier de Carteret to colonise the now vacant island of Sark and granted him the land in fee farm from the Crown on condition that he let it out to 40 tenants to serve as a garrison.

Under James I religious differences remained acute in both islands, but that monarch was so far successful in his ecclesiastical policy as to re-establish the use of the English liturgy

in Jersey in 1623, though Guernsey remained stoutly Presbyterian until after the Restoration.

James I, by an Order in Council seems to have given the first legal recognition of the "States" both of Jersey and Guernsey in answer to petitions that "the ancient use and authority of assembling the States of the Island for ordering the principal affairs thereof might be re-established." Hitherto there seems to have been in neither island any legislative body as such. Custom ruled supreme; and when any new regulations were required, they were drawn up and issued by the Governor or the Royal Court. There are, however, a few documents, which seem to show that in Jersey in adopting resolutions of unusual importance the Royal Court sought the approval of the leading inhabitants of the island: e.g. in 1497 an ordinance to establish schools was passed not only by the Royal Court, but by the "doyen, curés, gentilshommes, connétables, centeniers, vingteniers, avec la plus grande et saine partie de l'isle." Even after their formal recognition the States—more especially in Guernsey—found it often difficult to assert their own powers against the authority of the Royal Courts.

When the Civil War broke out, as might have been expected from their ecclesiastical antecedents, Jersey declared for King Charles and Guernsey for the Parliament, though in each island there was a strong minority on the opposite side. In Guernsey, however, there was only one conspicuous leader among the Royalists, Sir Peter Osborne, the Lieutenant-Governor: the seigneurs and townsmen were mostly Presbyterian, while the country people were indifferent. In Jersey the quarrel was personal rather than political: there, since 1630, Sir Philip de Carteret, the seigneur of St. Ouen, had been lieutenant-governor as well as bailiff, and by his high-handed conduct as well as by his nepotism in filling all the subordinate offices he had provoked a fierce opposition headed by David Bandinel, the dean, and several of the jurats. Accordingly in 1643, when the English Parliament ordered the arrest of the two lieutenant-governors and shortly afterwards sent out nominees of their own to take their places, Osborne shut himself up in Castle Cornet and de Carteret in Elizabeth Castle, the latter leaving Mont Orgueil to be defended by his wife. The castles were blockaded rather than attacked by their opponents, who had no artillery powerful enough to make any impression upon their defences. In August Sir Philip died, and two months later his son, Sir George Carteret, landed in Jersey and soon got himself recog-

nised as lieutenant-governor and bailiff; from that time to the surrender of the island in 1651 the Jerseymen remained faithful to the Stewarts.

They had moreover special reasons for their loyalty. For in 1646, after the defeat of the Royalist forces in the west of England, Charles, Prince of Wales, fled for refuge to Jersey, where he spent ten weeks (April to July) and so endeared himself to the islanders by his charming manners that he was ever afterwards sure of a welcome there. In 1649, a month after the execution of Charles I, Sir George proclaimed Charles II at a meeting of the States as their only true and lawful sovereign, and in the following September by the advice of his counsellors he left Holland and repaired to Jersey as the only loyal remnant of his father's dominions. From thence on October 29 he issued his declaration of his claims to the English throne before he embarked on the disastrous expedition which ended in 1651 in his crushing defeat at Worcester.

The Parliamentarians now had leisure to turn their attention to disaffection in the Channel Islands, and in 1651 they sent an overwhelming force under the famous Admiral Blake to force the islands to submit to their supremacy. In Jersey the only stronghold to offer serious resistance was Elizabeth Castle, and there, after sustaining a six weeks' vigorous siege, Sir George Carteret surrendered on honourable terms on December 15. Four days later Colonel Burgess, Osborne's successor, surrendered Castle Cornet on similar terms after the fortress had undergone a more or less rigorous blockade for more than eight years, varied with one or two half-hearted attempts to carry the place by assault. Guernsey in fact had suffered far more than Jersey during the Civil War: for her commerce had been almost entirely destroyed by Carteret's privateers from Jersey, and the 700 English soldiers sent by the Parliament to reinforce the native militia had for several years lived at free quarters upon the unfortunate inhabitants.

Oliver Cromwell drew up an elaborate system of regulations for the better government of the islands, but died before any of them were put into force; and on the Restoration Parliamentarian Guernsey was as eager as Royalist Jersey to swear allegiance to Charles II, who shortly afterwards, like most of his predecessors, confirmed the ancient rights and privileges of the two bailiwicks. In 1663 the use of the English Liturgy was re-established, though in Guernsey Presbyterian doctrines still maintained a strong hold over the people, which showed itself in the opposition offered to the replacement of Presbyterian

ministers by Anglican clergymen in the parish churches. By ordinances of the years 1671 and 1674 the King in Council re-asserted the royal prerogative of appointing the bailiffs in Jersey and Guernsey respectively instead of leaving the appointment to the Governors or their lieutenants, and made regulations for the jurisdiction of the Royal Courts which are still in force.

In the reign of James II the efforts which the King made to promote Roman Catholicism in the islands were more than counterbalanced by the renewed settlement of numerous French Huguenots after the revocation of the Edict of Nantes. The temper of the islanders showed itself in the promptitude with which they declared their allegiance to William of Orange as soon as the news reached them of his landing in Tor Bay : in fact they forswore all dealings with the Stewarts after the exiled dynasty had put itself under the protection of the French King.

The only act of William III which directly affected the islands was his withdrawal of their old privilege of neutrality in time of war—an act which in fact tended much to promote the commercial prosperity of the islands. For the inhabitants proceeded to fit out many of their vessels and small craft as privateers, with which they preyed upon the mercantile marine of France. Such was their success that in the twelve years of war in the reigns of William and Anne they made no less than 1,500 prizes—small and large—the cargoes of which they sold to English merchants. At the same time the high customs duties in all English harbours, raised to meet the expenses of the long war, soon tempted the islanders to embark on a still more illicit trade in contraband goods, which the English smugglers bought in St. Peter Port and St. Helier's and shipped to their own coasts. For more than a century this illicit trade was carried on and naturally was a constant cause of friction between the islands and the British Government. Several attempts were made to suppress it, the most serious in 1767, but it was soon found that the only result was to divert the trade to France ; for the French Government at once declared Roscoff (in Finistère) a free port, where the English smugglers could purchase all the goods which they had previously bought at St. Peter Port. Accordingly in 1771 the attempt was given up, though the duties on imported goods in English ports were kept as high as ever. Smuggling soon reached its former dimensions and flourished especially during the American and French Revolutionary Wars, when in addition to smuggling the old practice of privateering was revived. This went on

till 1805, when an Act of Parliament was passed "for the better prevention of smuggling" and duly registered in the Royal Courts of Jersey and Guernsey. This Act was rigidly enforced, and from that time onwards the islands have had to rely on the development of legitimate trade and commerce, except that for the following ten years during the French war their merchants still made considerable gains from privateering.

Meanwhile the British authorities had convinced themselves of the military and naval importance of the islands as commanding the entrance to the Channel, built fortifications and harbours and regularly garrisoned them with British troops, at the same time making them a station for a naval squadron. On two occasions during the American War there was some slight justification for their fears. In 1779 a French vessel anchored in St. Ouen's Bay, but the neighbouring parson at the head of a few hastily assembled militia was able to prevent a landing. Again, in 1781 a needy adventurer, Baron de Rullecourt, succeeded in landing some 600 casually collected French conscripts, surprised St. Helier's and frightened the Lieutenant-Governor into signing articles of capitulation. But next morning Major Pierson with part of the British garrison and a few militia soon succeeded in defeating the motley French force in the streets and market-place of the town, though this gallant officer was himself killed at the very moment of victory. This was the last time that French troops set foot on island soil. Throughout the long Napoleonic wars there were constant fears of French invasion, but they were never realised; and in these times, as again during the second French Revolution, the islands sheltered many French political exiles. The delusion, however, as to the strategical importance of the Channel Islands lasted on till 1860 and led the British Government to waste some £2,000,000 on harbour works in Alderney and some £300,000 on breakwaters at St. Catharine's on the east coast of Jersey before their uselessness was finally discovered.

The end of the French wars and the consequent withdrawal of the greater part of the British garrisons resulted in great commercial depression for some years. But the industry and enterprise of the islanders in the long years of peace that followed soon made themselves felt; henceforward their history is merely one of constantly growing agricultural and commercial prosperity accompanied by democratic reforms in the old constitutions of the two main islands.

III

CONSTITUTIONAL GROWTH

Outwardly the constitutions of Jersey and Guernsey were from early times almost identical in outline. The Kings of England as Dukes of Normandy were supreme in all causes as well ecclesiastical as civil, and they have for centuries exercised their supremacy through the Privy Council as well as by royal officers in the two islands appointed by the Crown. Acts of the Imperial Parliament can only be enforced when they have been transmitted by the King in Council to the Royal Courts of the islands for registration and provided that the islands are expressly included in the Acts—though this provision seems to be rather a matter of custom than of law: in no case can the Imperial Parliament impose taxes upon the islanders. On the other hand, laws passed by the legislative assemblies of the islands need the confirmation only of the King in Council and not of Parliament.

Till last century the supreme military power was vested in Governors appointed by the Crown, who generally exercised their functions through Lieutenant-Governors. The Governorship, however, was abolished in Guernsey in 1835 and in Jersey in 1854; and since these dates only Lieutenant-governors have been appointed, who beside their military functions have the right to sit and speak in the "States" but not to vote, and also to veto measures prejudicial to the King's interests, though their veto may be set aside by the King in Council.

The highest civil authority is the bailiff, appointed by the Crown and assisted in his judicial and administrative functions by 12 elected jurats. These thirteen officers constitute the Royal Court both in Jersey and Guernsey, which is the supreme judicial authority both in criminal and in civil cases, subject in the latter to an appeal to the King in Council. Attached to the Royal Court are certain Crown officers—the Procureur du Roi, the Avocat du Roi (called in Guernsey the Contrôle), the Greffier, and the Vicomte or Sheriff (the last-named being replaced in Guernsey by an elected Prévôt).

Each island has its own legislative assembly called the États (in Guernsey the États de Délibération), whose powers seem to have developed out of the practice of the Royal Court in summoning the notables to give their consent to its own more important ordinances. These "États" are made up

(1) of the members of the Royal Court, (2) the Rectors, and (3) certain representatives of the people.

But at this point the resemblances between the two constitutions end and the differences begin.

Jersey.—The constitution of Jersey was until the reforms of the last thirty years more democratic than that of Guernsey in two respects:

(1) The jurats have always been elected directly—originally by the officers of the Crown and the notables and then (about 1600) by all ratepayers—and not indirectly by an intermediate assembly. Down to 1919 the franchise was limited to persons possessed of £80 real or £100 personal property; but in that year it was thrown open to all men of 20 years and upwards and to all women of 30 years and upwards, provided that they were ratepayers or occupiers of a house or ground of the value of at least £10 a year, or on active service in the Jersey militia.

(2) Since 1771, when the power of passing "ordinances" was withdrawn from the Royal Court and transferred to the States, the latter has been the sole legislative body in the island. The States can be traced back under the name of the Commun Conseil to 1477—more than a century before the States in the two islands were definitely recognised by James I in 1605; and in 1616 they were called the three Estates of the island, viz. the members of the Royal Court, the clergy, and the commons as represented by the parish constables elected for life. The States can pass laws to remain in force for three years, but permanent legislation requires in addition the sanction of the King in Council. The States alone have power to impose taxes. To make the States more truly representative of popular opinion 14 elected deputies (to sit for three years) were in 1856 added to the *ex-officio* members—3 for St. Helier (increased to 6 in 1907) and one each for the other 11 parishes; and the term of the constables was at the same time limited to three years.

Guernsey.—In Guernsey, owing to the decay of the landed aristocracy and the increase of commercial wealth, the constitution had by the eighteenth century become a narrow timocracy of the bourgeoisie and so remained until the middle of the nineteenth century; but from 1844 there has been a steady development towards democracy, which has shown itself in the reform both of the États de Délibération and of the États d'Élection—the latter an institution peculiar to this island. The origin of the États d'Élection is unknown, but when it

first appeared in the reign of James I, it was composed of 174 members—the bailiff, the 12 jurats, the procureur du Roi, 8 rectors of parishes, and 20 constables, 2 from each parish, 20 *douzeniers* or parish councillors from St. Peter Port, 16 douzeniers from Vale and 12 douzeniers from each of the remaining 8 parishes. Its only function was and is to elect the jurats and prévôt, except that in 1844 any tax proposed to be levied above a certain rate was made subject to its approval. In the same year this assembly was increased by the addition of 48 douzeniers, 12 each from the 4 wards into which St. Peter Port was then divided.

Legislation and finance are the functions of the États de Délibération; but their legislative powers, which first definitely appear in 1605, had practically been till very recent times usurped by the Royal Court, whose powers went back to a period when law-making was unknown, through its right to issue ordinances, temporary in theory but often permanent in practice. Till 1844 these States consisted of 32 members—the bailiff, the procureur, the 12 jurats, 8 rectors, and 10 constables: in that year the constables ceased to be *ex-officio* members and in their place the douzeniers were allowed to elect any one of their number to represent the parish—St. Peter Port being given 5 additional representatives. In 1899 along with other small changes a much more popular element was introduced in the shape of 9 deputies to be elected for a fixed term of years by the heads of families throughout the island, and at the same time the appointment of the douzeniers was also reduced to a fixed term instead of for life. Finally in 1920 the people's deputies were doubled in number and the franchise thrown open to all men of full age and to all women over 30 years, as well as to women of 21 years and upwards who paid parish taxes. Even now it is the business of the Royal Court to draw up all *projets de lois*, though it is obliged to do so in conformity with the States' own resolutions.

Militia.—In Guernsey in 1900 and in Jersey in 1905 laws were passed to increase the efficiency of the native militia. The obligation of military service for the defence of the islands has rested upon all the able-bodied male inhabitants ever since the reign of Henry II, who in consideration of such service and of 90 livres payable by Jersey and 70 livres payable by Guernsey exempted them from all Royal taxes and from the duty of serving abroad, unless it were to accompany the King in person for the recovery of England. From King John's time onwards the militia was usually reinforced by English

troops in time of war, though in many cases it happened that only the native force was available to repel French attacks. For the last two centuries garrisons of regular troops have been stationed in the forts of Jersey, Guernsey, and Alderney; but this notwithstanding, the militia has generally been kept in a constant state of efficiency. The force was embodied at the beginning of the Great War, and in 1916 a Compulsory Service Law on the lines of the British Military Service Act, but without its exemptions for conscientious objectors, was passed to render its services available abroad. Thereafter whole battalions of islanders crossed the seas and won their laurels in France and other far-distant seats of war. After the Armistice the emergency legislation was suspended and the laws of 1900 and 1905 once more came into force.

IV

ECONOMIC

Agriculture.—Owing to the system of tenure the farms are small —mostly from 5 to 50 acres, and there is much intensive cultivation, which is favoured by the abundance of manure in the shape of "vraic" or seaweed. In Jersey the principal crop is potatoes, of which over 70,000 tons are exported, followed in the same season by tomatoes or wheat. Guernsey is devoted to horticulture rather than agriculture: the outdoor crops are unimportant; but there is a large export of grapes, tomatoes, and other fruits, and more recently of flowers, all cultivated in glass houses, with which a large area is covered. Both islands are famous for their special breeds of cattle, Jersey rearing annually some 2,000 and Guernsey some 450 animals for export: the cows in both islands are famed for the quantity and quality of their milk.

Industry.—The only industry on a large scale is the quarrying and dressing of granite in Guernsey and Alderney. Its chief centre is St. Sampson's in the north of Guernsey, from which 430,000 tons were exported in 1908. The old industry of knitting stockings and woollen garments, which the English Government in the reigns of Charles II and James II tried to foster by allowing large exports of wool to the islands free of duty, has entirely disappeared. So too has the large-scale fishing industry, which is now confined to the supply of local needs.

Commerce.—The value of the exports to the United Kingdom was in 1918 £3,677,000, in 1919 £4,023,000, and in 1920

£4,163,000 ; of the imports in the same three years £1,835,000, £2,440,000, and £4,758,000 respectively.

Communications.—Regular services of steamers ply between the islands and Southampton, Weymouth, London, and Plymouth, and also St. Malo, Granville, and Cherbourg. The chief harbours are St. Helier in Jersey and St. Peter Port and St. Sampson's in Guernsey, the latter of which is very shallow and used only for the granite trade.

Jersey has some 15 miles of railway.

Finance.—In Jersey the revenue in 1921–22 amounted to £191,398 and the expenditure to £174,846. The exports were £3,616,803, and the imports £3,747,352. The public debt was £538,025.

In Guernsey and the adjacent islands the revenue in 1920 amounted to £92,221 and the expenditure to £91,656. The public debt was £368,010.

Imperial sterling coins and notes are the sole legal tender ; both Jersey and Guernsey use in addition special copper coins of their own.

SECTION VIII
THE ISLE OF MAN

THE ISLE OF MAN

I

GEOGRAPHICAL AND RACIAL

Geography.—The Isle of Man—called in Manx *Ellan Vannin*—lies in the middle of the Irish Sea almost equally distant from the coasts of England, Scotland, and Ireland. It is a possession of the English Crown, but has never been incorporated with Great Britain. The island is oblong in shape, is 33 miles long from north-north-east to south-south-west, and varies from 8 to 12 miles broad. Its area is 227 square miles, of which about one-third is uncultivated. Except for the marshy plain of the Curragh at the northern end, the surface is very hilly—Snaefell, its highest point, rising to a height of 2,034 feet.

Climate.—The climate is similar to that of the western coasts of Britain and remarkably equable. The annual mean temperature is 49° F.—January, the coldest month, averaging 41° and August, the warmest month, 58°. The rainfall varies much from place to place, ranging from 25 inches a year at the Calf of Man and Point of Ayre to 60 inches in the neighbourhood of Snaefell.

Race and Language.—The Manx are descendants from the Kelts and Norsemen, and their bodily features show characteristic traces of their mixed origin. Their native language is a Keltic dialect more akin to Gaelic than to Irish and very unlike Welsh. The earliest written document is Bishop Phillips's Prayer Book dated 1610 ; the few extant carols and ballads were mostly reduced to writing in the eighteenth century. The use of the vernacular, which was general in the country districts at the beginning of the nineteenth century, is now almost extinct. Of the present inhabitants nearly one-half, it is said, are of other than Manx origin.

Population.—In the census of 1921 the population was 60,238, an increase of 8,224 over that of 1911.

II

HISTORICAL

THE earliest inhabitants of the island known to history were the Kelts, who have left behind as evidence of their presence numerous place-names—some two-thirds of the total number—many crosses, and the names of a few saints, besides the Manx language, now retained for little more than the bilingual copies of Manx laws proclaimed at the annual meeting of the Tynwald Court on old Midsummer Day.

About 800 the Norse vikings began to make raids, which were soon followed up by permanent settlements; and in 1079 a Norseman, named Godred Crovan, conquered the whole island. Henceforward he and his descendants ruled for 200 years over Man as petty kings nominally under the sovereignty of the far-distant Kings of Norway, though occasionally some of his successors paid homage to the English Kings.

The Norse invaders put an end to the old Keltic Christianity, but were themselves converted to the Christian religion about 1030. In 1134 the Cistercian abbey of Rushen was founded by monks from Furness Abbey, and twenty years later the bishopric of Sodor was established as a diocese within the Archbishopric of Trondhjem: the diocese included the Hebrides and the southern Scottish islands, as its name implies; for Sudr-ei means southern islands. To the Norse period must be traced not only the remaining third of the place-names and many barrows and crosses inscribed with runes, but many of the existing institutions. Thus the division of the islands (*a*) into a northern and southern district each with its *deemster*, (*b*) into 6 *sheadings* (ship-divisions), each headed by a *coroner*, and (*c*) into 17 parishes each with its captain, and the Tynwald (*thing* = assembly, *wald* = field), in old times a judicial and deliberative rather than a legislative assembly—are of Norse origin. So too are the semi-feudal system of land tenure of "the straw," the occupiers being tenants at will without right of inheritance, and the emblem of the three legs, perhaps of Sicilian origin, though the motto *quocumque jeceris stabit* is of later date. The Norse language maintained no permanent footing and has left but few traces on the older Manx language.

In 1266, three years after his defeat at Largs, the Norwegian King sold Man to the victorious Alexander III of Scotland for 4,000 marks, and from that date the sovereignty over the island alternated between Scotland and England till 1346,

when Edward III defeated the Scots at Neville's Cross and as one of the results finally asserted English supremacy over the little kingdom. The Scottish period seems to have been a time of great misery and anarchy for the islanders, which the growing power of the bishop and clergy and the frequent interferences of the Pope served only to aggravate. Civil government there was none: the Tynwald with its Council of Barons and twenty-four "Keys" or people's representatives survived as a memory only. The bishop and ecclesiastical barons were supreme and used their powers only to increase their wealth: at their synods they had devised an elaborate system of taxation, levying tithes on all food and produce and exacting dues at birth, marriage, and death, on wills, etc., as well as heavy fines for all ecclesiastical offences. Their jurisdiction extended also to civil and criminal cases, and they even exercised the power of life and death.

For more than half a century the English Crown made no permanent provision for the government of the island. At last in 1405 Henry IV granted it to Sir John Stanley, the founder of the Derby family, as a Crown fief to be held on condition of paying a cast of falcons at the King's coronation: the patronage of the bishopric was included in the grant. In the Derby family the lordship of Man remained for 320 years.

The first task of the new ruler was to assert the power of the State against the Church; and the first step toward this was taken by his governor, Michael Blundell, when he put into writing the then existing customs and so-called "breast" (i.e. traditional) laws of the Manx people. The second Stanley (1414–1432) made a more serious attempt: he revived the Tynwald Court with its two Deemsters and twenty-four Keys; he abolished the ecclesiastical right of sanctuary, and in 1429 at a "Court of all the Commons of Man" enacted a lengthy code of laws, whereby he brought all clerical as well as lay offenders under his own jurisdiction, instituted trial by jury, and re-established the old militia to keep "watch and ward" over the island. No change, however, was made in the old tenure of land "by the straw," a form of copyhold under which the tenants held their farms in return for "villein" services: they paid dues in kind for the lord's household and garrisons, days' labour for repairing roads and castles, and fixed rents, which after 1511 were assessed in money, but paid half in money and half in kind. But the still more ancient system of triennial redistribution of allotments in common fields was abandoned in the course of the fifteenth century.

For a hundred years Man passes out of history. In 1504 the second Lord Derby gave up the title of king, thinking that "to be a great lord was more honourable than to be a petty king." In 1522 the English judges in dealing with a Manx lawsuit ruled that Acts of Parliament have no force in the Isle of Man. The power of the Church seems once more to have become oppressive till in 1532 the Governor made a convention with the bishop and clergy to moderate their exactions. Then came the Reformation: the details of the change are unknown except that in 1540 the abbey of Rushen and the other religious houses were dissolved. With the disappearance of the ecclesiastical Barons the autocratic powers of the Derbys rapidly increased: for the Barons' seats on the Council were now taken by the officers of the Lord's household. At their head stood the Governor. Then came the Comptroller, who controlled the revenue. The Clerk of the Rolls made entries of accounts and recorded the laws, the judges' decisions, etc. The Receiver-General collected the revenue, and the Water-Bailiff looked after the customs duties. Finally there was an Attorney-General, who acted as legal adviser. The Tynwald Court, composed of the Council and the Keys, though it still met to register the Lord's ordinances, was reduced to complete subserviency: for now the Keys were merely the nominees of the Governor, who furthermore usurped the right of dismissing recalcitrant members and replacing them with more reliable henchmen. The Deemsters, however, were till 1577 elected by the people. The fourth Earl (1572–1594) was a stout Protestant, and under his régime the Manx Church developed strong Puritan tendencies, which showed themselves in a strict system of church discipline enforced by severe penalties on all breaches of its regulations.

On the death of the fifth Earl in 1594 without male issue Queen Elizabeth appointed a commission to settle the dispute among the rival claimants to the succession and meanwhile took over the administration of the island. It was not till 1610 that James I made a new grant of the island, confirmed by Act of Parliament, to the sixth Earl of Derby. James, the seventh Earl (1627–1651), is still remembered in Man as the "Great Stanley," though he was great rather for the part that he and his Countess played in resisting the Parliament forces than for any services that he rendered to his subjects. He did, indeed, reside longer on the island than any other ruler of his family, and he did much to improve trade and commerce. Moreover, by reorganising the Manx militia he was enabled to

secure peace for his Manxmen and to hold the island for the King from 1643 until his own execution at Bolton after the disastrous fight at Wigan in 1651. But by his ill-timed attempt to alter the ancient system of land tenure and to put English leaseholds in its place he excited such widespread discontent that only a few weeks after his death William Christian, the Receiver-General and commander of the Militia, treacherously surrendered the island to the Parliament troops, hoping thereby to recover for his fellow-countrymen their ancient laws and liberties of which the Earl's despotic rule had deprived them.

The governors of Lord Fairfax, to whom the Parliament now granted the island, made no change except that from 1659 till the reforms of 1866 the Keys co-opted their own members, nominating two persons for any vacancy, from whom the Governor selected one. At the Restoration the eighth Earl of Derby successfully asserted his claims to his inheritance and was responsible for the trial and execution of William Christian in 1663 for his treachery towards his mother in 1651: (the part assigned to the Countess by Scott in his *Peveril of the Peak* is quite unhistorical). Christian was regarded in Man as a patriot and a martyr: the Privy Council punished his judges and ordered the Earl to restore his forfeited property to his heirs.

Meanwhile discontent against the new system of leaseholds grew greater as the leases began to fall in: for the tenants now found that with their expiration all their old customary rights over their farms disappeared. Bishop Wilson, appointed in 1698, at once saw the reasonableness of their complaints and induced his old pupil and patron, the ninth Earl, to seek for a remedy. Terms of agreement between the Lord and his tenants were soon arranged, and in 1704 were embodied by the tenth Earl in the "Act of Settlement" passed in the Tynwald Court and often called the Manx Magna Carta. The Act secured to the tenants the possession of their farms in perpetuity on payment of a fixed quit rent, which at the present day amounts only to about 1½ per cent. on the annual value of the land. The tenants were also to have the rights of alienation and inheritance on payment of a small fine.

The good bishop also did much to introduce better methods of cultivation, and these improvements together with security of tenure soon resulted in the renewed prosperity of agriculture. Bishop Wilson was even more zealous in promoting the spiritual welfare of his flock: he restored or rebuilt the ruined churches; he established schools both in town and country; he founded

a library in every parish; he provided translations into Manx of the gospels and other religious books. But his harsh enforcement of a more than mediæval system of church discipline, in which, it is true, he was supported by the Keys and the people, involved him in a long quarrel with Governor Horne and Archdeacon Horrobin and led to his own imprisonment in the damp dungeons of Castle Rushen in 1722. The Privy Council ordered his release, but thereafter the bishop found it wiser to mitigate the pains and penalties of the ecclesiastical courts.

In 1736 on the death of the tenth Earl of Derby the lordship of Man passed to his heir-general, the second Duke of Atholl. The Duke visited the island in person, and by enacting what is known as the Manx Bill of Rights substituted for the old Derby despotism a close oligarchy confined to the Governor, his Council, and the Keys. Henceforward the customs duties, which since 1577 had been arbitrarily imposed by the Lord, were to be fixed by the Tynwald Court; accused persons were assured the right of trial by jury; and stricter limits were put upon the jurisdiction of the ecclesiastical courts.

Meanwhile, ever since the imposition of high duties upon English imports to meet the expenses of William III's French wars, there had been constant friction between the English Government and the Lords of Man over the rapid increase of smuggling. To prevent it an Act of Parliament was passed as early as 1726, which among other provisions empowered the Treasury to purchase the "dominion" of Man. Negotiations were opened, but the Lords of Man, finding the trade profitable to themselves, procrastinated, and nothing was done till the accession of the third Duke of Atholl in 1764. The new Duke was soon brought to terms, and in 1765 an Act of Parliament was passed "revesting" the Isle of Man in the Crown on payment to the Duke of £70,000 for his royalties and the customs. The Duke still retained his manorial rights and ecclesiastical patronage and soon afterwards was awarded a consolatory pension of £2,000 a year. Throughout these transactions Tynwald was not consulted, and when the British Government proceeded to appoint a new Governor and to impose the British tariff upon the island, it soon discovered that it had practically lost all its old powers. Henceforward smuggling on a large scale—the British Treasury had estimated its annual losses here at £315,000 a year—was crushed, but smuggling on a small scale, especially of Manx imports, continued to flourish for half a century. Trade and agriculture

fell into a state of deep depression, which the presence of numerous English debtors and swindlers, who enjoyed immunity under a Tynwald Act of 1837, did but little to alleviate.

For many years the fourth Duke of Atholl had never ceased to complain of the unprofitable bargain of his predecessor. So in 1793 to stop his complaints and at the same time to reconcile the Manx to Crown rule, the British Government appointed him Governor. He at once made use of his new position to get more out of the Treasury, and in 1805 induced William Pitt, in spite of the opposition of the Privy Council, Lords, and Commons, to grant him an additional pension of £3,000 a year, which in 1828 was followed by the purchase of his pensions and remaining rights and patronage for the preposterous sum of £417,144. A year later the Duke resigned his governorship.

The Manx had already begun to cry out for constitutional reform, but for a long time they cried in vain : at last in 1866, three years after Sir Henry, afterwards Lord, Loch had been appointed Lieutenant-Governor, their opportunity came, and except in the matter of the customs duties complete home rule was granted to the island. First and foremost the old Tynwald Court was resuscitated. Originally a court of justice with occasional deliberative and administrative functions, it was now deprived of all its judicial functions and transformed into a legislative and administrative body, presided over by the Lieutenant-Governor and composed of two houses—the Legislative Council and the twenty-four Keys, who were to sit separately except for financial purposes, when they were to sit together but vote separately. Its administrative functions were limited to the election of certain committees like the Harbour Board, the Board of Education, etc. Once more after a lapse of four centuries the Keys were made real representatives of the people, holding office, no longer for life, but for seven years only : three members were to be elected by each of the six sheadings, three by Douglas, and one each by Peel, Castletown, and Ramsay. More recently Douglas has been given two additional members at the expense of the two most sparsely populated sheadings. The electoral franchise was given to all occupiers and owners of properties of a certain annual value. The Lieutenant-Governor remained president of the Council, and its members were to be the Bishop, the Attorney-General, the Clerk of the Rolls, the two Deemsters, the Archdeacon, the Receiver-General—all appointed by the Crown—and the Vicar-General appointed by the Bishop.

In theory the powers of the Lieutenant-Governor are autocratic and tend to increase. He represents the King, is the sole executive authority (responsible to the Home Office), and has a veto on all acts of Tynwald. He is the patron of all church livings; he collects the revenue and directs its normal expenditure, leaving only the surplus to be dealt with by Tynwald. Up to 1920 he acted as Chief Justice except in the Court of Chancery. In practice, however, the Government is very constitutional, and Tynwald makes its own laws and manages its own affairs. This has been made possible by the growing prosperity of the island and with it the constant increase of revenue, which in 1920–1 amounted to £311,602, while the expenditure was only £266,502: in the following year the figures were £256,647 and £229,424 respectively. Of this revenue under the arrangements of 1866 the Manx Government hands over only £10,000 to the Chancellor of the Exchequer, so that Tynwald finds considerable sums at its own disposal after this and the normal expenses of internal administration have been met. The public debt in 1921–2 was £109,227. To become effective the laws passed by Tynwald have to be sanctioned by the King in Council and promulgated at the open-air sitting of the Tynwald Court at St. Johns on July 5 (old Midsummer Day) of each year. For more than a century it has been the practice of the Manx Legislature to adopt as its own such of the British Statutes as are applicable to the conditions of the island with such modifications as it deems necessary: to cite a recent instance—the Manx Education Act dates from 1872.

Though satisfied for a time, the reforming party was by no means content with the Constitution of 1866, and at last in 1911 induced the British Government in response to a petition of the Keys to appoint a Departmental Committee to consider fresh measures of reform: but the Tynwald Act embodying most of the Committee's recommendations was delayed by the outbreak of the Great War and was not passed till 1920. The Council, as now reconstituted, consists of the Bishop, the two Deemsters, and the Attorney-General, who are all appointed by the Crown, two non-official members nominated by the Lieutenant-Governor, and four members elected by the Keys. The Lieutenant-Governor has been relieved of all his judicial duties, and his tenure of office limited to seven years. Considerable economies and simplifications have been made in the administration of justice. Furthermore universal suffrage has been introduced for all men and women over 21 years of age;

W. & A. K. Johnston, Limited, Edinburgh & London.

at the same time the old owner and occupier suffrage has been retained, so that voters possessed of these property qualifications have the right of giving additional votes in the electoral districts where their properties are situate.

During the Great War the Isle of Man was made one of the chief centres for the internment of enemy aliens. The Manx patriotically submitted to the various Military Service Acts and to much of the other British emergency legislation, and nearly one-eighth of the total population enrolled themselves in the various forces of the British Crown.

III

ECONOMIC

Economic.—Though the old industries of fishing and mining have dwindled down to negligible amounts, the wealth of the island has grown continuously since 1850, chiefly owing to the enormous influx of summer visitors from the mainland (mainly from Lancashire), who before the Great War numbered nearly half a million a year. The chief occupation of the islanders therefore is catering for these summer invaders; and this has in its turn greatly added to the wealth of the local farmers.

Communications.—The port of Douglas is in daily communication with Liverpool all the year round, and in summer with Heysham, Fleetwood, Glasgow, Belfast, Dublin, and other places. Its harbour was in the course of the nineteenth century so much improved that it can now adequately cope with the enormous excursion traffic in the summer: occasionally as many as 6,000 passengers land in one day.

There are 47 miles of railway and 25 miles of electric trams.

SELECTED BIBLIOGRAPHY: HISTORICAL AND CONSTITUTIONAL

(*a*) HISTORICAL

England and Great Britain

Works Covering the Whole Period

A History of England in Twelve Volumes (Longmans, Green & Co.): To the Norman Conquest, by T. Hodgkins; 1066–1216, by G. B. Adams; 1216–1377, by T. F. Tout; 1377–1485, by C. W. C. Oman; 1485–1547, by H. A. L. Fisher; 1547–1603, by A. F. Pollard; 1603–1660, by F. C. Montague; 1660–1702, by R. Lodge; 1702–1760, by J. S. Leadam; 1760–1801, by W. Hunt; 1801–1837, by G. C. Broderick and J. K. Fotheringham; 1837–1901, by Sidney Low and L. C. Sanders.

A History of England in Seven Volumes (Methuen & Co.): Before the Norman Conquest, by C. W. C. Oman; the Normans and Angevins, by H. W. C. Davis; the later Middle Ages, by K. Vickers; the Tudors, by A. D. Innes; the Stuarts, by E. M. Trevelyan; the Hanoverians, by C. Grant Robertson; since Waterloo, by J. A. R. Marriott.

Both these series of books embody the results of recent research. The first portion of the period, from the Anglo-Saxon Conquest to 1485, is also covered by Sir James Ramsay's series of volumes, which were originally published under various titles, and are now known as *The Student's History of England.*

Special Periods

E. A. Freeman, *History of the Norman Conquest.*
J. A. Froude, *History of England from* 1529 *to* 1588.
S. R. Gardiner, *History of England from* 1603 *to* 1656.
T. B. Macaulay, *History of England from* 1685 *to* 1702.
W. E. H. Lecky, *History of England in the Eighteenth Century.*

Biographies

Twelve English Statesmen (Macmillan & Co.): William I, by E. A. Freeman; Henry II, by Mrs. G. R. Green; Edward I, by T. F. Tout; Henry VII, by James Gairdner; Wolsey, by M. Creighton; Elizabeth, by E. S. Beesly; Cromwell, by Frederic Harrison; William III, by H. D. Traill; Walpole, by John Morley; Chatham, by John Morley; Pitt, by Lord Rosebery; Peel, by J. R. Thursfield.

C. H. Firth, *Oliver Cromwell.*
G. Trevelyan, *The Early Life of Charles James Fox.*
John Morley, *Life of Gladstone.*
Monypenny and Buckle, *Life of Benjamin Disraeli, Earl of Beaconsfield.*

Miscellaneous

H. D. Traill, *Social England* (6 vols. by various writers, covering the whole period).
J. R. Seeley, *The Growth of British Policy* (foreign relations from the sixteenth century to 1714).
J. R. Seeley, *The Expansion of England.*
G. L. Beer, *British Colonial Policy,* 1754–1765.
H. E. Egerton, *Origin and Growth of the British Colonies.*
A. F. Pollard, *The British Empire.*

SCOTLAND

J. H. Burton, *History of Scotland.*
A. Lang, *History of Scotland.*
P. Hume Brown, *History of Scotland.*
Sir Walter Scott, *Tales of a Grandfather.*

All these works are on a large scale. Single-volume histories have been written, in recent years, by A. Lang, P. Hume Brown, R. S. Rait, and C. S. Terry.

(*b*) CONSTITUTIONAL

W. Stubbs, *Constitutional History of England* (*to* 1485).
H. Hallam, *Constitutional History of England* (1485–1760).
T. E. May, *Constitutional History of England* (1760–1860).
A. V. Dicey, *Law of the Constitution.*
W. R. Anson, *Law and Custom of the Constitution.*
F. W. Maitland, *Constitutional History.*
Anson, Sir W. R., *The Law and Custom of the Constitution* (vol. i, Parliament, 5th ed. by M. L. Gwyer, 1922); vols. ii and iii, 3rd ed., 1907–8).
Bagehot, Walter, *The English Constitution* (2nd ed., 1872).
Dicey, A. V., *Introduction to the Study of the Law of the Constitution* (8th ed., 1920).
Dicey, A. V., *Lectures on Law and Public Opinion in England* (2nd ed., 1914).
Hogan, A. E., *The Government of the United Kingdom* (4th ed., 1920).
Low, Sidney, *The Governance of England* (revised ed. 1914).
Lowell, A. L., *The Government of England* (2nd ed., 1912).
May, Sir T. E., *Treatise upon the Law, Privileges, Proceedings and Usage of Parliament* (ed. of 1912).
Muir, J. R., *Peers and Bureaucrats* (1910).

INDEX

Aden, 56
Admiralty, 19, 48, 49, 60
Aeroplanes, etc., 58, 59
Afghanistan, 55, 56
Africa, troops, 53; 55, 56
Agriculture, early, 65–69, 74–76, 86; development of, 92–100; methods of improving condition of, 95–99; co-operation, 99, 100; 117; 132–139; depression, 136–139; Board of, 137
Air, Secretary for, 19; power, 50, 51, 58, 59; force, 62
America (*v.* also United States), 66, 76, 107, 114, 117, 136, 155, 182; debt to, 179, 182, 188
Anne, Queen, 244
Argentina, 94, 114, 153, 165
Army, responsibility for, 19; constitution, 52–64; 61, 62
Ashley, Sir W., 67, 73
Asquith, Mr., 25, 55
Atholl, Dukes of, 258, 259
Australia, 34, 45, 47, 55, 58, 76, 94, 114, 117, 135, 153, 154, 165
Austria-Hungary, 165

Bagehot, W., 22, 26
Bank of England, 88, 173, 177
Banking, rise of, 88; 173–176, 183
B.E.F., 53, 54
Bentham, Jeremy, 119, 124, 126
Bessemer steel, 106, 107
Bills, parliamentary, 4, 5, 7, 8
Black Death, the, 73–77, 83
Black Sea, 57
Botha, General, 46
Budget, 8, 29; 1910–19, 176; 1913–14, 176, 184; 1923–24, 185
Bureaucracy, 30, 31, 40
Burleigh, Lord, 83, 84

Cabinet, the, 11–15, 27, 28
Canada, 34, 35, 45, 55, 114, 155
Canals, 108, 109, 162, 163
Capitalists, origin, 78
Cardwell system, 52
Chamberlain, Mr. A., 13
Chamberlain, Mr. J., 12, 30
Chancellor, Lord High, 17, 18
Chancellor of Exchequer, 16, 17, 29
Channel Islands, geographical, 235, 236; historical, 236–245; constitutional, 246–249; economic, 249, 250
Charles I, 88, 91, 242, 243
Charles II, 87, 243, 249
Chartist movement, 198–202
Child labour, 118–121, 199
China, 56
Church, the, 82, 243
Civil Service, 28–32
Civil War, the, 89, 90
Cloth, 82
Coal, 51, 87, 143–145
Coinage, 81
Colonial expansion, 91–115
Colonial Office, 20
Combination Laws, 195–197
Committee of Supply, 8
Commons, House of, 4–8; privileges and power, 6; procedure, 7, 8; 14; loss of authority, 23–27
Commonwealth, 36, 45, 113
Communications, 108–114
Communism, 231, 232
Commutation, 69, 74, 75
Conference, Imperial, 34–36; Washington, 50, 59, 61
Constitution, 3, 4; tendencies, 20–33; 40
Conventions, 3, 4, 11
Co-operative movement, 199, 202–204, 223–225, 230
Corn, 76, 89, 90, 94, 133, 138
Corn Laws, 116, 117, 137, 138, 220
Cotton, 87, 101, 102, 153, 156–158, 164
Craftsmen, 70–73, 78
Crown, the, powers of, 4, 10, 11; 14, 21, 22, 79–83, 237, 258
Crown Colonies, 36, 37, 45

Dairy produce, 95
Danes, the, 66
Defence, 19; of Empire, 45–62
Departments, Government, 15–20, 109
Derby family, 255–258
"Direct Action," 196
Dominions, the, 34–36, 45, 53
D.O.R.A., 26

Economics, story of development, 65–127; conditions, 131–169; in Channel Islands, 249, 250; in Isle of Man, 261
Education, 120
Edward I, 83
Edward II, 83
Edward III, 81, 255
Edward IV, 240
Edward VI, 241
Edward VII, 22
Egypt, defence of, 56, 58
Eight Hours Act, 209
Electorate, 5
Elizabeth, Queen, 83–85, 240, 241, 256
Emigration, 97
Empire, the British, as such, 34, 36, 37; defence of, 45–62
Employers' liability, 122
Engineering, origin of, 105
Executive, the, 10–15
Exports, 131, 163–167

Factories, conditions in, 119–121
Factory Acts, 120
Farms, development of, 93, 95–97
Federation, 34
Finance, 173–189; historical, 173–176; during Great War, 176–180; recovery, 180–184; some figures, 184–189
Fisheries, 141–143
Flax, 157, 158
Foreign Office, 20
Forests, 139, 140
France, 50, 61, 115, 164, 165
Franchise, 5
Free Trade, 116, 117
French Revolution, 195, 236, 244

George III, 22
George V, King, 21
George, Mr. Lloyd, 13, 14; disruptive tendencies, 24–28
Germany, naval threat, 48, 49; 56, 57; competition, 112, 131; 132, 155, 164, 165
Gibraltar, 56
Gladstone, W. E., 117
Government, 4–20, 110
Government Departments, 15–20, 109
Guilds, 70–73, 78–80

Hanseatic League, 85
"Haro, clameur de," 237
Health, Board of, 124; Ministry of, 125
Henry II, 238, 248
Henry III, 238
Henry IV, 255
Henry V, 240
Henry VI, 239
Henry VII, 84, 240, 241
Henry VIII, 80, 84, 240, 241
Hongkong, 56
Huguenots, 86, 236, 241, 243
Hume, J., 196, 197

Imperial Federation, 34–36
Imports, 131, 163–167
Income-tax, 116, 117, 180
India, Office, 20; 45; Army, 53, 54; 55, 62, 165
"Industrial Revolution," 103, 115, 193
Industry, development, 78, 79, 86; 92, 102–107
Inventions, influence of, 87, 101–107
'Iraq, 57, 58, 62
Ireland, 6, 19, 35, 36–38; present status, 38, 39; Northern, 39, 45
Iron, 65, 69, 87, 103–107, 145, 146, 148–153
Isle of Man, 253–261; geographical, 253, 254; historical, 254–261; economic, 261
Italy, 50, 61

James I, 89, 241, 242, 247, 248, 256
James II, 249
Japan, 48–50, 61, 131, 155, 156
John, King, 237, 238, 248
Judiciary, 17, 18
Justices of the Peace, 85, 89

Keynes, Professor, 65
King, the, 11, 14, 21, 60, 80, 81, 246, 260

Labour, early customs, 66–69, 73–76; the, movement, 193–232; political movement launched, 208; Party, 209, 218, 219; Joint Council, 222–223; co-operation, 223–225; educational, 225–230
Land, tenure in Norman times, 67–79; leasing, 70, 74, 75
Law, 3, 4, 18, 89
League of Nations, 39, 40, 57
Legislature, 4–10, 14
Livestock, 134, 136
Loans to Allies, 182, 187
Lords, House of, 4, 5, 8–10; constitution of, 8, 9; privileges and powers, 9; procedure, 10
Luddite riots, 196

Mahan, Admiral, 48
Mandates, 57, 58
Manorial system, 67–69, 73, 78
Markets, institution of, 76
Mary I, Queen, 241

Massey, Mr., 36
Meat, 94, 95
Mercantile Marine, 111–114
Merchant Companies, 85, 88
Metals, 145–148
Minerals, 148
Mines, 121, 122, 143–148
Morley, Viscount, 12, 30
Motor-cars, 161, 162

National consciousness, development of, 78, 83
National Debt, 173, 174, 176–179, 181–188; in detail, 186
Nationalisation, 40, 110, 122
Nauru, 58
Navigation Laws, 116
Navy, 19, 47–50, 52, 55; numbers, 61
New Zealand, 34, 36, 45, 47, 55, 117, 154, 155, 165
Normans, 66, 67

Oil, 51, 52, 148
Old-age pensions, 127
One-Power standard, 49, 61, 62
Osborne judgment, 209, 210
Owen, Robert, 119, 197, 198, 202

Pacific, the, 49, 50, 57, 58, 114
Palestine, 57, 58, 62
Parliament, 4–10, 14, 15, 22–27, 41, 219
Pasture, 77, 134, 136, 139
Pauperism, 84, 85, 126
Peasants' Revolt, 75
Peel, Sir R., 116
Persia, 56
Pitt, W., 115, 116, 195
Place, F., 196, 197, 200
Plébiscite, 37
Poor Law, 85, 90, 119, 125–127, 200, 201
Post offices, 163
Potatoes, 133
Prime Minister, 16, 24–28, 34
Prices, fixing of, 82
Privy Council, 12, 85, 89

Raiding force, 55
Railways, 109–111, 160–162
"Red Tape," 31
Referendum, 37
Reform, Bills, 23; of House of Lords, 33
Richard II, 83
Roads, 108
Romans, 65, 66
Russia, 55, 56, 114, 153, 165, 169

Sanitation, 124, 125
Sankey Commission, 122
Saxons, 66
Scotland, administration, etc., 18, 19
Sea-power, 47–50
Secretaries of State, 18–20
Security of Empire, 46, 47
Sheep-farming, 76, 77, 134, 136, 153, 160
Shipping, 90, 94, 111–114, 132, 162, 167; tonnage, 168
Siemens, Sir W., 106
Smith, Adam, 115, 195
Smuts, General, 35, 36
Social legislation, 118–127
Socialists, 199, 202, 204, 206, 207, 213
South Africa, 34, 45, 153–155, 165
South America, 89, 91
Spain, 165
Speaker, the, 7
Squires, origin of, 77
State control, 40, 111
Steel, 105–107, 149–153
Stewarts, the, 84, 89–91, 243
Sudan, 157
Suez Canal, 56, 58
Sweden, 165
Syndicalism, 213

Taff Vale case, 208, 209
Taxes, 116, 117 (*v.* also Income-tax); 180–182
Textiles, 87, 101, 102, 153–158
Timber, 139, 140, 164
Tin, 65
Togo, 57
Towns, life in Middle Ages, 70–72, 76–79; drift to, 97, 98; sanitation, 124, 125
Trade, development of, 80, 83, 90, 91; 163–169
Trade Disputes Act, 209
Trade Unions, 73, 79, 123, 194, etc.; establishment of, 200–206; growth of, 206–212; Act, 210; amalgamation, 213–219; Railway Unions, 214, 215
Treasury, Board of, 16; constitution of, 17
Triple Alliance (labour), 218
"Truck system," 123, 202
Turkey, 56, 57
Two-Power standard, 48, 49, 61

United States, the (*v.* also America), 49, 50, 61, 131, 153–155, 164, 165; debt to, 179, 182, 188

Victoria, Queen, 11
Villeinage, 66, 68, 69, 74, 75

Wage-earners, development, 69, 74, 79
War Cabinet, 13, 14
War Office, 19, 155
War, the Great, 46, 49, 52, 53, 107, 131, 137, 145, 150, 155, 160; trade during, 166; finance during, 176–180; 261
Washington Conference, 50, 59, 61
Watt, J., 104, 105
Weights and measures, 82
West Indies, the, 55
Wheat (*v.* also Corn), supply of, 114, 133; 164
William III, 240, 244, 258
William IV, 11
Wilson, Bishop, 257, 258
Woman labour, 119, 120
Wool, 67, 76, 77, 79, 87, 102, 153–155, 158, 164

Young, Arthur, 93

Made and Printed in Great Britain.
Hazell, Watson & Viney, Ld., London and Aylesbury.

BOSTON PUBLIC LIBRARY
3 9999 08816 265 4